



## SUMMARY OF THE SECOND SESSION OF THE AD HOC INTERGOVERNMENTAL GROUP OF EXPERTS ON ENERGY AND SUSTAINABLE DEVELOPMENT: 26 FEBRUARY - 2 MARCH 2001

The *Ad Hoc* Open-Ended Intergovernmental Group of Experts on Energy and Sustainable Development met in New York from 26 February to 2 March 2001. The Expert Group was established by the UN General Assembly to prepare input for the ninth session of the Commission on Sustainable Development (CSD-9). The Expert Group focused on key issues relating to energy for sustainable development including accessibility of energy, energy efficiency, renewable energy, advanced fossil fuel technologies, nuclear energy technologies, rural energy and energy-related issues in transportation, and regional and international cooperation. Delegates discussed the issues on the basis of a Co-Chairs' proposal for a draft decision and a compilation text based on views presented by delegates in oral and written statements during the meeting. Delegates failed to reach agreement on a number of contentious issues, most notably nuclear energy and international cooperation. The general negotiating atmosphere was tense, with negotiations stalling mid-week, and finally gaining momentum late Thursday night. A revised Co-Chairs' draft proposal, which contains many brackets, was adopted and forwarded to CSD-9.

### A BRIEF HISTORY OF THE CSD

The CSD emerged from Agenda 21, the programme of action adopted by the United Nations Conference on Environment and Development (UNCED) in June 1992. 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 of Agenda 21 implementation at the local, national, regional and international levels. In 1992, the 47th session of the General Assembly set out in Resolution 47/191 the CSD's terms of reference, its composition, guidelines for the participation of non-governmental organizations (NGOs), the organization of work, its relationship with other UN bodies, and Secretariat arrangements. The CSD held its first substantive session in June 1993 and has since met annually.

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

CSD-6 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 (SIDS) and discussed the cross-sectoral themes of technology transfer, capacity building, education, science and awareness raising.

CSD-7 met from 19-30 April 1999, to consider the economic theme of tourism, the sectoral theme of oceans and seas, and the cross-sectoral theme of consumption and production patterns. Participants also prepared for the UNGASS review of the Barbados Programme of Action.

CSD-8 met from 24 April to 5 May 2000. Participants considered the economic theme of sustainable agriculture and land management, the sectoral theme of integrated planning and management of land resources and the cross-sectoral themes of financial resources, trade and investment, and economic growth. The conclusions and proposals

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in the final report of the Intergovernmental Forum on Forests were also discussed, as were preparations for the ten-year review of UNCED. The decisions adopted by CSD-8 included the report of the first session of the *Ad Hoc* Open-Ended Intergovernmental Group of Experts on Energy and Sustainable Development.

**THE CSD AND ENERGY:** The multi-year programme of work for the CSD, adopted by UNGASS in 1997, 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. At CSD-7, the *Ad Hoc* Open-Ended 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.

The first session of the Expert Group 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 second session.

The Co-Chairs' summary of the discussions highlighted the agreed priority areas for consideration by CSD-9: accessibility of energy, energy efficiency, renewable energy, advanced fossil fuel technologies, nuclear energy technologies, rural energy, and energy and transportation.

## REPORT OF THE MEETING

On Monday, 26 February, Co-Chair Mohammad Reza Salamat (Iran) opened the second session of the *Ad Hoc* Open-Ended Intergovernmental Group of Experts on Energy and Sustainable Development. Delegates adopted the meeting's agenda (E/CN.17/ESD/2001/1) and the organization of work (E/CN.17/ESD/2001/1/Add.1). Co-Chair Salamat said the Co-Chairs' draft negotiating text, on which the Expert Group will base its work, attempted to strike a balance between political considerations and technical grounds, developing nations and industrialized countries, and development objectives and environmental concerns. He said the text supports a "menu of options and policies" approach.

JoAnne DiSano, Director of the UN Division for Sustainable Development, introduced the report of the Secretary-General, "Energy and sustainable development: Options and strategies for action on key issues" (E/CN.17/ESD/2001/2). She said the report identifies key areas where the international community can promote sustainable energy, and calls for new initiatives to intensify international cooperation and mobilize investment for, *inter alia*, building effective public-private partnerships.

Co-Chair Irene Freudenschuss Reichl (Austria) outlined the structure of the draft negotiating text (E/CN.17/ESD/2001/L.1), which consists of six sections: A. General Considerations; B. General Principles for Policy Action; C. Key Issues; D. Overarching Issues; E. Regional Cooperation; and F. International Cooperation. Delegates gave general statements on energy for sustainable development, and began discussions of the Co-Chairs' text, focusing on the first two sections. The meeting was adjourned early at the request of the G-77/China to allow for consultations and preparation of positions for the following day.

On Tuesday, 27 February, the Expert Group met in morning and afternoon sessions to discuss all sections of the Co-Chairs' draft negotiating text. On Wednesday, delegates received a new compilation text that listed views expressed by delegates on the Co-Chairs' draft as of Tuesday evening. A number of delegates expressed dissatisfaction with the text, which they said had not been prepared in standard UN format. They questioned how the negotiations would proceed, which led the Co-Chairs to conduct informal consultations on how to move ahead. The Expert Group reconvened late in the afternoon. After a discussion on the status of the draft compilation text and procedural matters, the formal session was adjourned. An informal meeting to review Section F of the text, International Cooperation, followed the adjournment. The Co-Chairs conducted informal consultations with smaller groups of delegates in the evening.

On Thursday, 1 March, delegates received a new version of the compilation text, which had been amended to better reflect the views of all delegations. They met in formal and informal morning, afternoon and evening sessions to discuss new versions of Sections A and B of the compilation text, and worked into the night on Section C. On Friday, 2 March, the Expert Group met in informal sessions to finish discussing the text. Informal consultations were held on contentious issues. Delegates completed the discussions on the revised compilation text and Co-Chair Salamat closed the meeting at 1:45 am on Saturday, 3 March.

## CO-CHAIRS' DRAFT DECISION ON ENERGY AND SUSTAINABLE DEVELOPMENT

The following is a summary of the Co-Chairs' draft decision on energy and sustainable development to be transmitted to CSD-9, with emphasis on the contentious sections that have been left in brackets.

**SECTION A: GENERAL CONSIDERATIONS:** This section notes: energy is central to achieving the goals of sustainable development; the magnitude and scale of energy needs; the challenges ahead regarding energy and requirements to meet them; action needed to make energy systems more supportive of sustainable development; and the common but differentiated responsibilities of countries with regard to policies and strategies for achieving energy for sustainable development.

In discussing this section, several delegates stressed the importance of having a menu of options available to countries and called for emphasis on diversity of circumstances and perspectives.

The Russian Federation highlighted that environmentally sound technologies are not freely available to all, and language to accommodate this fact was included. Norway and South Africa stressed the difference between sustainable energy and energy for sustainable development; the latter wording was accepted by the Expert Group.

Different views were expressed on language regarding the magnitude and scale of the energy problem. The EU rejected wording proposed by the G-77/China on the lack of "commercial" access to energy and transportation. He requested referring to "modern" access to energy and transportation, which he said is consistent with the World Energy Assessment (WEA). Delegates agreed to retain neither. The G-77/China, with Saudi Arabia, opposed a suggestion by the EU to add language on the unsustainability of current patterns of energy production, distribution and utilization. He requested specifying this problem as one relevant to developed countries. The EU underscored the need to recognize the impact of energy emissions on human health and the environment. Several developing countries objected and proposed bracketing the language. The EU accepted deleting this



reference, but requested maintaining the recognition that patterns of consumption are currently unsustainable, and the paragraph was accepted.

The G-77/China proposed calling on developed countries to make available to developing countries environmentally sound technological options, noting that this had been agreed at Rio+5. The Russian Federation suggested extending this to countries with economies in transition (CEITs). Australia stressed that technology should be provided through both private and public sector activities.

Delegates accepted the G-77/China request to include reference to the principle of common but differentiated responsibilities. In the final text, reference to “adequate” and “new and additional” resources remains bracketed following opposition to their inclusion by the EU, the US and Australia. The G-77/China suggested deleting language on private sector investment. The EU opposed and suggested, as a compromise, “involvement of all stakeholders, including more investments by the public and private sectors,” which remains bracketed.

### **SECTION B: GENERAL PRINCIPLES FOR POLICY**

**ACTION:** This section contains a chapeau and nineteen sub-sections on general principles and policies that delegates accepted. The G-77/China suggested changing the title to “Policy Options,” while Norway suggested amending it to read “General Principles for Policy Options.” The section heading remains in brackets for further consideration at CSD-9.

The chapeau refers to the general principles and policy options that countries, as well as relevant regional and international organizations and other stakeholders, are invited to consider when dealing with energy, taking into account national and regional specificities and circumstances, bearing in mind the principle of common but differentiated responsibilities. Australia, New Zealand, the Russian Federation, and the G-77/China suggested acknowledging the different situations of various countries, their level of development, and their regional conditions. The EU reiterated the principal responsibilities of national governments and suggested adding reference to promoting private-public partnerships to advance sustainable development, and with the US and Mexico, to strengthening the role of civil society, especially of women. Norway proposed “non-prescriptive” principles and policy options. The EU supported wording on achieving the sustainable development of energy producing, distributing and consuming activities. The G-77/China supported replacing “governments” with “countries” and both options remain in brackets. The reference to “non-prescriptive” as well as “general principles and policy options” remain bracketed.

The chapeau also includes a mandate for governments to seek assistance, as appropriate, from relevant regional and international organizations in the formulation and implementation of their domestic energy policies, as proposed by the G-77/China. The EU proposed adding a paragraph on government responsibility for the development and implementation of energy policies for sustainable development. This paragraph was not agreed to and remains bracketed.

On the sub-paragraph regarding the energy mix to meet growing energy demand, delegates discussed whether to include reference to nuclear technology. The Russian Federation, the US and Canada, opposed by New Zealand and Poland, proposed including reference to nuclear technology. The EU sought clarification as to whether “other advanced technologies” include nuclear technology. Delegates agreed to bracket reference to nuclear technology and accepted the paragraph.

Saudi Arabia proposed a new paragraph referring to the eradication of poverty as a high priority to developing countries and as an indispensable requirement for sustainable development. Delegates bracketed this proposal.

Delegates agreed to text on integrating energy considerations into socio-economic programmes, especially into the policies of major energy-consuming sectors, including the public sector, as suggested by the G-77/China. A sub-paragraph on establishing an enabling environment “supportive of the objectives of sustainable development” was adopted. Delegates agreed to text on developing appropriate energy services, particularly in rural areas.

A sub-paragraph on ensuring security of energy supply and management of security of energy demand so as to achieve market stability and better accessibility was debated at length. Switzerland, Japan and the US sought clarification on the meaning of security of energy supply and demand. China supported Australia’s proposal to delete reference to “security of energy demand”; Saudi Arabia preferred its retention. The EU, opposed by the G-77/China, suggested replacing “security” with “management.” The US suggested replacing the language with “supporting market development and stability to ensure energy supply and consumer access to energy service.” References to security, management and market development remain in brackets.

On establishing programmes for energy efficiency, Canada said that reference to “national energy efficiency goals” could prove problematic for countries with federal systems. Norway, opposed by the EU, suggested replacing energy efficiency “goals” with “strategies.” Delegates adopted the paragraph with bracketed references to necessary financial support, goals, and deployment of energy efficient technologies.

Delegates agreed to include a paragraph supporting the increased use of renewable energies both in grid-connected and decentralized systems. Turkey, opposed by the Alliance of Small Island States (AOSIS), proposed deleting this language. Saudi Arabia stressed that the goals of poverty eradication and economic development override the goal of promoting renewable energies. The sub-paragraph was accepted without brackets.

Text on optimizing the efficient use of fossil fuels through the increased development and use of advanced fossil fuel technologies was agreed by delegates, although references to their “cleaner” character was bracketed.

Delegates accepted text on enhancing regional and international cooperation on energy for sustainable development. The reference to concrete measures on enhancing regional and international cooperation remains in brackets.

Delegates agreed to language from Rio+5 on sustainable consumption patterns. They also agreed to additional paragraphs on encouraging public-private partnerships, facilitating the dissemination of information, and supporting energy conservation programmes. On strengthening the role of civil society, the G-77/China preferred stating the role of “major groups.” The paragraph remains bracketed.

Delegates approved text to: support energy conservation programmes in all economic sectors; strengthen existing national and local institutions that develop, implement and operate national programmes on energy for sustainable development; and include a paragraph from Agenda 21 that allows developing countries to make





economic development their highest priority. A paragraph on the application of the polluter-pays-principle through the internalization of externalities for environmental benefits remains bracketed.

A sub-paragraph on research and development was accepted as proposed by the Co-Chairs, with minor changes to elaborate on research on activities towards energy for sustainable development, including on transport systems.

**SECTION C: KEY ISSUES:** This section contains recommendations on accessibility of energy, energy efficiency, renewable energy, advanced fossil fuel technologies, nuclear energy technologies, rural energy, and energy and transportation.

Saudi Arabia, supported by Colombia and opposed by Sri Lanka, said this section's recommendations should be directed at "countries" rather than "governments." The Russian Federation suggested including measures to make energy efficiency, advanced fossil fuel and renewable energy technologies more affordable. The EU emphasized the inclusion of the three pillars of sustainable development – economical viability, social acceptability and environmental soundness – in numerous paragraphs of this section.

**Accessibility of energy:** In discussions on this topic, the EU proposed including the aim of increasing reliability through the diversification of supply. The US suggested, *inter alia*, language stating that countries choose actions based on national circumstances. The G-77/China proposed a paragraph on making energy more accessible to rural women, and called for consideration of low forest cover countries when referring to biomass and fuelwood.

**Challenges:** Outlining challenges associated with accessibility, the final text states that improving accessibility implies finding ways and means by which energy services can be delivered reliably, affordably, in an economically viable, socially acceptable, and environmentally sound manner.

**Recommendations:** Recommendations state that governments, taking into account their national circumstances, are encouraged to, *inter alia*: improve access to modern biomass technologies; support the transition to the use of liquid and gaseous fossil fuels; and support equal access for women to sustainable and affordable energy technologies.

Brackets remain on a reference to promoting innovative financing arrangements aimed at reducing initial cost of equipment and grid connections.

**Energy efficiency:** In discussions on this topic, the G-77/China, supported by Pakistan, underscored technology transfer at preferential prices to developing countries and equal access for women. The EU stressed improvement of current technologies and energy management techniques. A number of delegates opposed references to indicative goals for energy efficiency.

During discussions on the revised compilation text, the G-77/China opposed the wording "improve" in a reference to energy efficiency codes and standards, arguing that many countries lack these codes and that they may create artificial barriers to trade. On national energy efficiency programmes, delegates disagreed on language, with some supporting "strategies" to incorporate federal countries, while others suggested extending the scope to the regional level and to include policy actions.

**Challenges:** The final text notes that energy efficiency can be a win-win solution both for developing and developed countries, and that barriers to optimizing the energy efficiency potential involve lack of access to technology, capacity building, financial resources, as well as market related and institutional issues.

**Recommendations:** Governments, taking into account their national circumstances, are encouraged to, *inter alia*: provide incentives for energy conservation in all sectors; strengthen institutions that develop and operate energy efficiency programmes; and accelerate development and deployment of energy efficiency technologies.

Brackets remain on references to: energy efficiency codes; indicative goals for energy efficiency improvements; preferential prices from developed to developing countries; and the phase-out of energy subsidies.

**Renewable energy:** In discussions on this topic, Switzerland underscored promoting indigenous sources of renewable energy. Australia, supported by Poland and Guyana, suggested reference to costs as a barrier to reaching renewable energy potential.

**Challenges:** Delegates accepted compromise text suggested by the Co-Chairs noting that the main challenge lies in the development, utilization, and dissemination of renewable energy technologies, such as solar, wind, ocean, wave, geothermal, biomass and hydro power, on a scale wide enough to significantly contribute to energy for sustainable development. Following a request by the G-77/China, the paragraph was amended to include mention that this challenge is for both developed and developing countries.

**Recommendations:** Among the recommendations, governments, taking into account national circumstances, are encouraged to: support the role of the private sector; develop and use indigenous sources of renewable energy, where appropriate; and strengthen financial support to developing countries for the promotion of renewable energy.

Brackets remain on references to national strategies to enhance the contribution of renewable energies to total energy consumption, and the transfer of environmentally sound and "state of the art" or "appropriate" technologies.

**Advanced fossil fuel technologies:** Discussions during the week focused on including carbon sequestration in the text. Some delegations supported its deletion, stressing that such strategies are not forward-looking. Others proposed deleting or re-wording "carbon free sources" and "near-zero" emissions.

**Challenges:** Regarding challenges associated with advanced fossil fuel technologies, delegates agreed to language supporting the further development and dissemination of the deployment and use of advanced and cleaner fossil fuel technologies.

**Recommendations:** Delegates accepted recommendations encouraging governments, taking into consideration national circumstances, to, *inter alia*:

- develop and apply more efficient fossil-fuel-fired power plants, buildings, appliances and transportation, including cleaner coal and oil technologies;
- research, develop and transfer technologies of transforming from solid fuels to liquid or gaseous fuels;
- promote cooperation with industries in a voluntary programme framework for cleaner fossil fuel technology deployment; and
- develop and implement measures to make advanced fossil fuel technologies more accessible and affordable.



Brackets remain on references to: increasing the “relative” use of lower carbon fuels; carbon sequestration; and promoting carbon emission reductions.

**Nuclear energy technologies:** In discussions of the initial negotiating text, the EU noted its sensitivity and existing divergences among States. Some countries preferred wording on the phase-out of nuclear energy, while others supported a gradual phase-out. A number of developing countries proposed a sub-paragraph on phase-out of trans-boundary movement of nuclear waste, especially through the coasts of non-OECD countries. Barbados stated that nuclear energy sources are neither appropriate nor acceptable for use in SIDS, to which Saudi Arabia added “all developing countries.”

Some delegations highlighted nuclear energy as an acceptable and important part of the energy mix, provided efforts are made to ensure safety. China and India emphasized the right of all countries to develop nuclear energy. Belarus highlighted risks and lack of public confidence in nuclear energy technologies.

Following extensive informal consultations on Friday, the Co-Chairs introduced a compromise text, which refers to: the current levels of nuclear power consumption; associated concerns, including nuclear safety, spent fuel, and waste management; successful records of nuclear energy use; the absence of compatibility of nuclear technology with sustainable development objectives; and the duty to find cost-effective solutions and address nuclear safety, spent fuel, and waste management, as well as public concerns on these issues.

**Challenges:** The paragraph on challenges states that, *inter alia*, for those countries that choose nuclear energy the challenge lies in finding cost-effective solutions and in addressing nuclear safety and spent fuels and waste management, and public concerns on these issues.

**Recommendations:** In the recommendations, governments, taking into account national circumstances, are encouraged to, *inter alia*:

- support national efforts in research and international cooperation to address nuclear safety, spent fuel, and waste management;
- strengthen independent national regulatory agencies;
- promote a high level of nuclear safety worldwide by the International Atomic Energy Agency (IAEA);
- improve the transparency of nuclear safety-related decisions;
- prevent the proliferation of fissile material through IAEA safeguards;
- develop technological solutions for long-lived radioactive waste; and
- address the legality of trans-boundary movement of nuclear waste according to the relevant international instruments, taking into account the high risk to human health, safety, and the environment.

Many delegations requested bracketing the paragraph and postponing the discussion on nuclear energy until CSD-9 due to an absence of expert advice. The EU said that the proposed text strikes a good balance between different interests and that they were ready to engage in a “preliminary exchange of views.” Some delegations said the text would be a good basis for negotiations. Saudi Arabia noted that its submission of text had not been included. The text was bracketed and forwarded to CSD-9.

**Rural energy:** In discussions on this topic, Australia said difficulties in energy provision relate to the structure of energy markets in rural areas. Poland, with Indonesia, highlighted local capacity building and promotion of local sources of renewable energy. In discussions on the revised compilation text, the G-77/China: asked for deletion of

language on appropriate compensation to rural areas whose resources supply country-level needs; opposed reference to “indicators on” the rural energy situation; and objected to text suggested by Australia on assistance for initial capital outlays for renewable energy products, which was withdrawn.

**Challenges:** The paragraph on challenges states that, *inter alia*, efforts to finding the most appropriate solution to the energy problems of rural areas are hampered by the enormity of the problem, limited availability of resources and lack of appropriate technologies, high investment cost and connection fees, as well as insufficient attention to rural development in general.

**Recommendations:** Governments are encouraged to, *inter alia*:

- develop, where necessary, specific and targeted energy service delivery structures adapted to rural needs;
- promote local energy enterprises as employment opportunities;
- take into consideration the health and safety concerns of women and children in rural energy programmes;
- establish innovative financing arrangements to make rural energy services affordable to the poor; and
- develop and utilize indigenous energy sources.

Delegates also agreed to compromise language on supporting local groups and/or NGOs in the promotion and delivery of newly developed environmentally sound technologies, including solar cooker technology. Brackets remain on text referring to indicators.

**Energy-related issues in transportation:** In discussions on this topic, Saudi Arabia queried the meaning of “sustainable transportation systems” and preferred stating “transportation systems for sustainable development.” Mexico suggested integrating criteria on energy consumption and environmental impacts into development of urban and rural transport infrastructure.

**Challenges:** The paragraph on challenges notes that the transport sector is a major energy-consuming sector, with consumption projected to grow at the highest rate, and states that promoting an integrated approach to developing transport systems for sustainable development is the challenge. A sentence on this effort being hampered by, *inter alia*, the lack of awareness of options and inadequate infrastructure was deleted at the request of the G-77/China.

**Recommendations:** Governments are encouraged to, *inter alia*: manage transportation demand; increase fuel efficiency for different transportation modes; and integrate transport policy in other sustainable development policies. A reference to the progressive elimination of leaded gasoline, proposed by the EU, remains bracketed.

**SECTION D: OVERARCHING ISSUES:** This section contains seven paragraphs, of which three were discussed in informal discussions: capacity building, mobilization of financial resources, and making markets work better. Agreement was reached on six paragraphs, with the paragraph on markets proving highly controversial and remaining bracketed in its entirety.

**Research and development:** Delegates accepted a compromise version of this paragraph, which states that: the enhancement of research and development of advanced cleaner, more efficient energy technologies and renewable energy technologies is important for achieving energy for sustainable development; governments are encouraged to develop policies and incentives in this area; and increased energy research should come from both the public and private sectors and through cooperative efforts.



**Capacity building:** The paragraph in the final text stresses the need for strengthening the capacities of institutions, infrastructure and human resources in developing countries, and that developed countries and relevant multilateral institutions should focus on capacity building in development cooperation. During discussions, opinions diverged regarding the recipients of capacity-building efforts and the use of Global Environment Facility (GEF) grants. Delegates also agreed to mention CEITs as recipients, and to give specific consideration to least developed countries (LDCs) and SIDS. Regarding the GEF, delegates agreed to include language on a “substantially replenished” GEF that would continue to provide support for capacity building and technology transfer. The paragraph was approved, with a sentence on the disparity between developed and developing countries as a major obstacle for information sharing, technology transfer and financial flow remaining in brackets.

**Technology transfer:** The paragraph on technology transfer is based on paragraph 34.4 of Agenda 21, as proposed by G-77/China. Following a request by the EU, “in order to promote energy for sustainable development” was inserted before the text, to specify that the paragraph refers to technology transfer as it relates to energy.

**Information-sharing and dissemination:** This paragraph notes that information-sharing facilitates efforts to achieve energy for sustainable development, and that, *inter alia*, the Internet could assist in the exchange of information. In the discussions, the US, supported by Canada and Australia, suggested including information on costs and ancillary benefits associated with environmental technologies and suggested an Internet-based clearinghouse. Only reference to Internet-based exchange of information was acceptable to all delegates, with the G-77/China stressing that limited Internet access in developing countries does not allow for a comprehensive Internet-based clearinghouse mechanism. A compromise paragraph was accepted, with language on assistance from developed countries to developing countries for the development of information technologies remaining in brackets pending a formulation acceptable to all.

**Mobilization of financial resources:** The paragraph on mobilization of financial resources was adopted following informal consultations on Friday. The paragraph notes that, *inter alia*:

- financial resources play a key role in the implementation of Agenda 21;
- official development assistance (ODA) is an important source of external funding in developing countries;
- new and additional funding for sustainable development and energy for sustainable development and the implementation of Agenda 21 will be required;
- these commitments under Agenda 21 need to be urgently fulfilled and renewed efforts are essential;
- many governments have initiated reforms of regulatory frameworks and institutions to attract private funding and are introducing specific policies to induce investment into energy technology for sustainable development; and
- these technologies sometimes require higher initial investments than competing solutions, and attention should be paid to this financing issue, particularly in developing countries.

During discussions, many developing countries underscored the need for new and additional resources. The EU emphasized financing infrastructure investments in developing countries. The US stressed the importance of ODA for technology transfer.

**Making markets work better:** During discussions on the paragraph on making markets work better, the EU proposed wording on, *inter alia*: the creation of open and competitive markets within regulatory frameworks in support of sustainable development; the establishment of policies that reduce market distortions and the removal of existing obstacles to renewable sources; and internalization of external costs. The Czech Republic called for the reduction of energy production subsidies and the gradual promotion of cost internalization. The EU, with Australia, suggested creating open and competitive energy markets within a regulatory framework. Saudi Arabia opposed and said the existing energy tax structure in developed countries should reflect their environmental pollution levels. Norway, with the Russian Federation, proposed encouraging governments to improve the functioning of energy markets. Although informal consultations were conducted on this paragraph, it was left bracketed and will be forwarded to CSD-9.

**Multi-stakeholder approach and public participation:** This paragraph notes that energy solutions compatible with sustainable development require participation of stakeholders and the public, and that the capacity of relevant stakeholder organizations should be strengthened to facilitate participatory approaches. During the discussions, the G-77/China suggested reference to strengthening the capacity of community-based organizations and to the role of women. The US said these groups could play an important role in establishing informal regulatory networks. The EU underlined, *inter alia*, freedom of access to energy information and access to justice.

**SECTION E: REGIONAL COOPERATION:** The Co-Chairs’ text notes the efforts made at the regional level to discuss the key issues and formulate regional positions and programmes of action to promote energy for sustainable development. It calls on the CSD to recommend implementation of regional endeavors through, *inter alia*:

- strengthening and, where appropriate, establishing regional energy institutions or arrangements for enhancing regional and international cooperation;
- promoting regional rural electrification projects using sustainable energy sources, including renewables;
- strengthening and, where appropriate, establishing regional cooperation arrangements for cross-border energy trade;
- promoting cooperation among concerned countries of the region and with international organizations to improve development and production of hydrocarbon fields through integrated cost reduction, enhanced operational efficiency and application of advanced technology; and
- fostering regional cooperation in research and development on energy efficiency, renewable energy and advanced fossil fuel technologies.

New Zealand stressed the importance of regional cooperation in achieving economies of scale in projects. The US suggested replacing reference to “advanced technologies” with “environmentally sound technologies.” Japan supported South-South cooperation in sub-regional and regional programmes for capacity building. Algeria proposed establishing a databank for information exchange.

On regional endeavors, Nigeria’s proposal emphasizing the strengthening of institutions and arrangements, “in particular to assist developing countries in their domestic efforts to provide modern energy services to all sections of their populations,” was adopted. Delegates also adopted a new sub-paragraph encouraging regional cooperation, including South-South cooperation, suggested by Japan.





**SECTION F: INTERNATIONAL COOPERATION:** The Co-Chairs' text on this issue is divided into three sub-sections on: messages to intergovernmental bodies; possible options for guidance to the multilateral system; and international endeavors.

**Messages to other intergovernmental bodies:** The Commission emphasizes the importance of achieving concrete agreements on modalities to implement the Kyoto Protocol, urges the upcoming World Summit for Sustainable Development (Rio+10) to prioritize energy-related issues and support the recommendations of the Expert Group, and invites the Third UN Conference on LDCs to examine and support the recommendations made.

**Possible options for guidance to the multilateral system:** The text outlines recommendations on improvements to the functioning, coherence and coordination of the UN system with regard to energy for sustainable development.

**International endeavors:** International endeavors include:

- new actions and actions for heightened international cooperation, including continuing and enhancing development cooperation as well as South-South cooperation;
- strengthening the dialogue between energy producers and consumers in order to achieve market stability;
- inclusion of energy for sustainable development in development cooperation programmes in order to increase financing support for energy for sustainable development; and
- creating an international energy information center or clearing-house to support and promote capacity-building activities for sustainable energy development.

Several delegates warned against prejudging the outcomes of the CSD-9 and Rio+10 processes and duplicating work in other fora. The G-77/China, with Colombia, the Russian Federation and Saudi Arabia, proposed deleting the entire section.

The EU stated that the energy sector should focus more on poverty reduction strategies and called for a common UN approach to sustainable energy. He supported continued coordination within the UN, and highlighted proposals and arrangements for improving such coordination. He supported the strengthening of *Ad Hoc* Inter-Agency Task Force on Energy, and called for a paragraph urging international financial institutions and multilateral organizations to integrate sustainable energy issues into their development strategies. The Expert Group decided to bracket the entire section and forward it to the CSD.

### **CLOSING PLENARY**

Convening a brief formal meeting at 1:20 am after a day of informal sessions, Co-Chair Salamat announced that a short summary of the meeting would be released next week. A final version of the Co-Chairs' draft decision was distributed to delegates, containing changes made until 12:30 am, with brackets remaining around some outstanding issues. Co-Chair Salamat proposed adopting an oral decision stating that the Expert Group decides: to transmit to CSD-9 the text annexed to this decision for the Commission's consideration as an input and for appropriate action; and to take note of the report of the Secretary-General. These decisions were approved. Delegates also adopted the draft meeting report (E/CN.17/ESD/2001/L.2).

Highlighting the concept of understanding and compromise, Co-Chair Salamat said he looked forward to seeing delegates at CSD-9 and thanked everyone for their work. Co-Chair Reichl noted that the meeting had experienced difficult but productive moments, and also thanked everyone. Co-Chair Salamat closed the meeting at 1:45 am.

### **A BRIEF ANALYSIS OF THE MEETING**

"Frustrating," "disappointing," "an opportunity almost lost," "inchoate" and "unfortunate" are some of the words participants used to describe the second meeting of the Open-Ended *Ad Hoc* Expert Group on Energy and Sustainable Development. In a situation reminiscent of the Expert Group's first meeting in March 2000, valuable time was lost to discussions on process, which diverted attention from the critical substantive issues. The general negotiating atmosphere was at its best tense, with some delegates openly demonstrating their dissatisfaction with the process and the way in which the Co-Chairs were handling the meeting. Although the complexity of the issues under discussion was not unexpected, many delegates felt that more progress could have been made had it not been for a combination of factors that led to the loss of time, including conflicting individual interests, mistrust in the Co-Chairs, and ambiguity with regard to how the mandate of the Group would be achieved.

Things did, however, change for the better when the day before the meeting ended, delegates began working through the revised compilation text guided by verbal proposals for compromise text. They made headway through the first five sections of the text, leaving few brackets in it, and only the sixth section was left outstanding. Despite the progress made, it is worth noting that the Expert Group did not fulfill its mandate, as defined by UNGASS. One key question still remaining relates to the use of the final document, and in what form it should be presented, given that it neither resembles previous CSD texts nor is structured in the format recommended by the Bureau at its first meeting.

### **THE LONG AND WINDING ROAD – WHAT BASIS FOR NEGOTIATIONS?**

From the outset, the dissatisfaction with the initial negotiating text prepared by the Co-Chairs, which was intended to serve as a draft decision for the CSD, was apparent in the interventions of several G-77 delegates. The text was generally regarded as unbalanced by some participants who alleged that it had not drawn on either the Secretary-General's report or on the reports of regional meetings. They said that the document focused more on "European perceptions of the energy issue." They also felt that the focus was not balanced as it was tipped toward placing conditionalities on developing countries without fully taking into account the reality of their situations, and without providing indicators of reciprocal actions by developed countries. In addition, there were claims that the Co-Chairs did not heed the reservations expressed by some delegations regarding the inclusion, in the proposal for a draft decision, of issues on guidance to other intergovernmental processes and institutions, which they felt were not appropriate for the Expert Group to discuss. One major weakness that many participants noted was the absence in the document of realistic means to implement the recommendations.

The protracted discussions on how to proceed could thus be directly linked to the dissatisfaction with the original Co-Chairs' negotiating text. Several delegations, feeling that their questions regarding the inputs to the text had not been adequately addressed, insisted on the preparation of a compilation text, which tracked the submissions that formed the draft negotiating text. After prolonged discussion on this matter, a first compilation text, which listed the submissions and comments on the original text, was produced. Many delegates, especially those from the G-77/China, were still not satisfied with the document, which was not presented in standard UN format, and requested a reformatted compilation text. Moreover, they did not feel comfortable



entrusting the Co-Chairs to prepare a second revision of their draft decision text and preferred working solely on the basis of a properly formatted compilation text.

Not all were in favor of this as an option. Some felt that those insisting on the use of a compilation text as the basis for negotiations, rather than as a reference to be used parallel to a revised Co-Chairs' text, did not recognize the time constraints and difficulties of negotiating on such a basis. They cited the need to use the limited time efficiently, given the myriad of issues before them. Even though substance should have been the main consideration, the focus of the meeting shifted to procedural matters, much to the disappointment of some of the delegates, especially experts who had come from their capitals. There were concerns that failure in the discussions of the Expert Group would negatively impact the work of CSD-9, thereby obstructing the preparations for the World Summit for Sustainable Development (WSSD) in 2002 and further undermine the faith many delegates have in the multilateral system.

### **BENEATH THE SURFACE...**

It is too simplistic to attribute the missed opportunities solely to the Co-Chairs and the original draft text. According to some observers, the procedural debate had played into the agenda of those that had vested interests and hoped to limit headway with the text. On the one hand, there were those who had interests in ensuring that energy issues were discussed in a context peripheral to sustainable development, with little or no mention of the social, environmental or economic impact of unsustainable production and use. On the other hand were those who wanted to limit the discussions only to areas that were less contentious and held promise of broader agreement. In both cases, it meant that the less progress made, the higher the chances of truncating the text and delaying the resolution of such issues to a point when time pressure could make them either fall off the agenda or lead to hasty agreement on a weak text.

### **WHO TELLS WHO?**

One of the most contentious issues in the draft text related to messages to intergovernmental processes and guidance to multilateral organizations. The Co-Chairs' text recommended further guidance to the multilateral institutions on addressing energy issues. Almost all delegations, with the exception of the EU, favored the deletion of this section, which they said did not respond to recommendations in the preceding sections. They also felt that adopting the recommendations on guidance would be prejudging and pre-empting possible outcomes of the WSSD regarding, for example, the possible creation of a world organization to manage these issues, such as the proposed World Environment Organization. Skepticism was exacerbated by the waning confidence in the existing multilateral bodies that some consider to have failed in delivery of promises of global cooperation. There was also a general sense, especially among developing countries, that such discussions would be futile given the non-binding nature of the CSD process.

### **TO NUKE OR NOT TO NUKE...**

Another major issue that proved difficult to resolve was on the role of nuclear energy in achieving sustainable development. According to some participants, nuclear energy has no place on the sustainable development agenda given the risks associated with its use. Some NGO observers noted that the EU statement on nuclear energy seemed to be more accommodating than the harder line they had taken at the climate change negotiations in The Hague last November. However,

upon closer observation, it was clear that the statement did not allude to a group position on the issue, but rather acknowledged that differences still existed. The EU statement was therefore limited to safety considerations in the use of nuclear energy, where such use already exists.

Some individual countries preferred to see this issue not discussed in the light of the Non-Proliferation Treaty, arguing against linking nuclear energy to weapon or defense technology. They felt that the risks involved are not comparable and that such decisions – to use or not to use nuclear energy – should be taken by the countries themselves. Intense informal consultations that continued until late Friday night, produced a proposal for text, which was considered by some delegates as having “considerably narrowed the differences in country views.” Regrettably, due to the late introduction of this compromise text, delegates were not able to consult and thus agreed to defer consideration of the nuclear issue to CSD-9.

### **... WHAT IS THE ANSWER?**

Contrary to what some observers expected, the issue of renewable energy did not receive wide support from all developing countries. Premising their arguments on current realities, some delegates felt that the investment costs for renewables in developing countries are extremely high. It would thus be foolhardy to prescribe them to developing countries as alternatives to traditional energy sources when the means to overcome the financial hurdles were not being sufficiently addressed. The interests of fossil fuel producing developing countries also added an element of caution into the debate with regard to renewables. On the other side, the proponents felt that the opportunities offered by renewables to developing countries were immense and should therefore be explored in the context of ensuring that governments establish and promote the necessary enabling environments to attract investments.

### **MONEY, MONEY, MONEY – PICKING UP THE CHECK?**

Another unresolved issue was the provision of “new and additional” financial resources, which was left bracketed in several places in the text. The G-77/China preferred to retain agreed language from Agenda 21, since it was evident that developed countries were not ready to discuss these issues. One observer remarked that the tendency by the G-77/China to fall back on Agenda 21 language fails to recognize that the dynamics of the global economic system have changed, and therefore increasing government responsibility is necessary to ensure market improvements for resource mobilization and the efficient use thereof. On the other hand, others argued that leaving the responsibility of resource provision to the market was equal to ignoring the issue. However, some did not consider the Expert Group a suitable forum to discuss these issues, and supported referring them to the Financing For Development talks.

### **IN LIKE A LION, OUT LIKE A LAMB?**

At the end of the Expert Group meeting, delegates had managed to work through all but one section of the text. The outstanding issues had been narrowed down to those dealing with nuclear energy and international cooperation – specifically those relating to guidance to other intergovernmental processes and institutions – which many felt could not have been resolved even if there had been additional time. The final text that will be forwarded to the CSD is much cleaner than expected and appears to be largely “agreed.” However, some pointed out that it is still difficult to get a clear sense of where the central issues





to individual and groups of countries are, since they were reacting to a negotiating text some considered unbalanced rather than proactively bringing out their own ideas.

As delegates left the meeting, one question still remained: what will the nature of the document be? According to the Co-Chairs, it is a draft decision, although to many it still does not include the features recognized in standard decision texts. Others said that it could serve better as a report or an annex to a decision that the CSD could prepare. The main challenge is to see whether the progress made in the final hours will contribute to reversing what some consider an already "poisoned" negotiating atmosphere at the CSD-9, where the fate of the text will become clear.

### THINGS TO LOOK FOR BEFORE CSD-9

**AFRICAN GAS 2001:** This conference will be held on 5-6 March 2001, in London. Topics to be covered include: gas project financing and investment risks; and gas strategies, markets and company issues. For more information, contact: Global Pacific and Partners; tel: +1-281-597-9578; fax: +1-281-597-9589; e-mail: [babette@global.co.za](mailto:babette@global.co.za); Internet: [www.glopac.com](http://www.glopac.com)

**INTERNATIONAL THERMAL OPERATIONS AND HEAVY OIL SYMPOSIUM:** This symposium will be held from 12-14 March 2001, on Margarita Island, Venezuela. There will be nine technical sessions covering a broad range of topics related to heavy-oil recovery and thermal operations. For more information, contact: Society of Petroleum Engineers (SPE); tel: +1-972-952-9353; fax: +1-972-952-9435; e-mail: [bwright@spelink.spe.org](mailto:bwright@spelink.spe.org); Internet: [www.spe.org/](http://www.spe.org/)

**INTERNATIONAL TRADE FAIRS FOR ENERGY AND ENVIRONMENTAL TECHNOLOGY:** The trade fairs will be held from 13-16 March 2001, in Leipzig, Germany. These fairs will focus on energy-related issues such as power engineering, energy services, and energy trade and management. For information, contact: Dr. Deliane Traeber, Leipziger Messe; tel: +49 0341-678-82-97; fax: +49 0341-678-82-92; e-mail: [d.traeber@leipziger-messe.de](mailto:d.traeber@leipziger-messe.de); Internet: <http://www.leipziger-messe.de/>

**MIDDLE EAST OIL SHOW AND CONFERENCE:** This conference will be held from 17-20 March 2001, in Bahrain. Sessions will cover topics such as reservoir engineering, well logging, and improvements in drilling performance. For more information, contact: Society of Petroleum Engineers; tel: +1-972-952-9353; fax: +1-972-952-9435; e-mail: [bwright@spelink.spe.org](mailto:bwright@spelink.spe.org); Internet: [www.spe.org/](http://www.spe.org/)

**SEVENTH LATIN AMERICAN AND CARIBBEAN PETROLEUM ENGINEERING CONFERENCE:** This conference will be held from 25-28 March 2001, in Buenos Aires, Argentina. The theme of the conference is "Upstream and Downstream: The Two Stages of the Oil Challenge." For more information, contact: Society of Petroleum Engineers; tel: +1-972-952-9353; fax: +1-972-952-9435; e-mail: [bwright@spelink.spe.org](mailto:bwright@spelink.spe.org); Internet: [www.spe.org/](http://www.spe.org/)

**APEC 21ST CENTURY RENEWABLE ENERGY DEVELOPMENT INITIATIVE PRIVATE SECTOR FORUM:** This meeting will take place on 26-27 March 2001, in Portland, Oregon, USA. The objective of the Forum is to promote extensive private sector involvement in the identification and implementation of renewable energy projects. For more information, contact: the Organizing Committee and APEC Sustainable Development Network, Portland, Oregon; tel: +1-503-279-9565; fax: +1-503-279-9381; Internet: <http://www.apecnetwork.org/>

### BIENNIAL INTERNATIONAL OIL SPILL CONFERENCE:

This conference will be held in Tampa, Florida, USA, from 26-29 March 2001. The focus will be on prevention, and will cover the complete life cycle of oil, extending across the entire environment from the marine to the inland regions. For more information, contact: American Petroleum Institute; tel: +1-202-682-8000; fax: +1-202-682-8223; e-mail: [westp@api.org](mailto:westp@api.org); Internet: [www.api.org](http://www.api.org)

**2ND INTERNATIONAL EXHIBITION ON NEW ENERGY AND CLEAN ENERGY 2001:** This exhibition will be held from 30 March to 1 April 2001, in Shanghai, China. The exhibition will profile: solar power equipment; wind power accessories and manufacturing equipment; and application technology and manufacturing equipment of hydrogen energy. For more information, contact: Sylvia Cheng, Coastal International Exhibition; tel: +13 852-2827-6766; fax: +13 852-2827-6870; e-mail: [general@coastal.com.hk](mailto:general@coastal.com.hk); Internet: <http://www.coastal.com.hk>

**TENTH INTERNATIONAL COURSE ON THE IMPLEMENTATION OF WIND ENERGY:** This course will be held from 2-13 April 2001, in Petten, the Netherlands. The course will focus on the implementation of large, scale, grid-connected wind energy systems. For more information, contact: Lucia Bakker, Netherlands Energy Research Foundation; tel: +31 224-564949; fax: +31 224-563214; e-mail: [l.bakker@ecn.nl](mailto:l.bakker@ecn.nl); Internet: [www.ecn.nl](http://www.ecn.nl)

**SIXTH INTERNATIONAL CONFERENCE ON SOLAR ENERGY AND APPLIED PHOTOCHEMISTRY:** This meeting will be held from 3-8 April 2001, in Cairo, Egypt, and will focus on basic and applied photochemistry, photophysics, photobiology, as well as their industrial and environmental implications. For more information, contact: Sabry Abdel-Mottaleb, Faculty of Science, Ain Shams University, Cairo, Egypt; tel: +20 12-216-9584; fax: +20 2-244-7683; e-mail: [solar@photoenergy.org](mailto:solar@photoenergy.org); Internet: <http://www.photoenergy.org/solar2001.html>

**22ND INTERNATIONAL POWER SOURCES SYMPOSIUM:** This symposium will be held from 9-11 April 2001, in Manchester, England. The overall aim of the Symposium is to advance the education of the general public by improving understanding and knowledge in the field of research and development in the use of non-mechanical power sources. For more information, contact: Bob Bailly, International Power Sources Symposium, Limited; tel: +44 0-1892-652881; fax: +44 0-1892-653459; e-mail: [secretary@ipss.org.uk](mailto:secretary@ipss.org.uk) or [ipss@marketdevelopco.demon.co.uk](mailto:ipss@marketdevelopco.demon.co.uk); Internet: <http://www.ipss.org.uk/>

**CSD-9:** The ninth session of the Commission on Sustainable Development will be held in New York from 16-27 April 2001. This session will focus on: atmosphere; energy/transport; information for decision making and participation; and international cooperation for an enabling environment. The topic of the multi-stakeholder dialogue segment will be energy and transport. Prior to CSD-9, intersessional meetings will be held from 6-9 March (Working Group on transport and atmosphere) and 12-16 March (Working Group on information for decision-making and participation and international cooperation for an enabling environment). For more information, contact: Andrey Vasilyev, Division for Sustainable Development; tel: +1-212-963-5949; fax: +1-212-963-4260; e-mail: [vasilyev@un.org](mailto:vasilyev@un.org); Internet: [http://www.un.org/esa/sustdev/csd9/csd9\\_2001.htm#](http://www.un.org/esa/sustdev/csd9/csd9_2001.htm#). For information for major groups, contact Zehra Aydin-Sipos, Division for Sustainable Development; tel: +1-212-963-8811; fax: +1-212-963-1267; e-mail: [aydin@un.org](mailto:aydin@un.org).