

CSD-14 HIGHLIGHTS: FRIDAY, 5 MAY 2006

In the morning, participants took part in parallel meetings on investment in energy and industrial development, and on enhancing means of implementation through sub-regional, regional and international cooperation. In the afternoon delegates engaged in a discussion focusing on energy, industrial development, air pollution, atmosphere and climate change, in an integrated manner.

THEMATIC DISCUSSIONS

Investing in energy and industrial development: challenges and opportunities: Vice-Chair Yvo de Boer (Netherlands) chaired the discussion. Fatih Birol, International Energy Agency, said the US\$17 trillion investment required to safeguard the world's energy requirement by 2020 is affordable, and equivalent to just one percent of global GDP. He said the challenge is to channel the sum to energy investment in developing countries. Margo Thorning, International Council for Capital Formation, reviewed impediments to investment, including unstable policy frameworks and a lack of protection for intellectual property, which can hinder technology deployment. Thorning expressed skepticism about the impact of mechanisms that rely on capping emissions, given their uncertainties. She said the Asia Pacific Partnership on Clean Development and Climate, which has partners representing 45 percent of global emissions, is an interesting pilot project. Christine Woerlen, Global Environment Fund (GEF), said governments must provide reliable policy frameworks and highlighted tools to remove barriers, such as grants, subsidies, clean development funds, and extended payback periods for loans.

Discussion: GERMANY said the current CSD cycle is key to launching a strategy for achieving improvements in energy efficiency. The EUROPEAN COMMUNITY called for constructive ways to engage the private sector in renewable energy development.

UGANDA said the energy crisis is affecting its poverty reduction strategy, and lamented weak responses from foreign investors. COTE D'IVOIRE and others voiced pessimism regarding renewable and clean energy investments in Africa. JORDAN echoed these concerns and mentioned problems with attracting advanced technologies. Thorning responded with a call for a conducive domestic investment climate.

SOUTH AFRICA highlighted the need to attract investment in clean coal technology. FRANCE said both voluntary and mandatory approaches were necessary. The WORLD BANK

discussed the proposed clean investment framework requested by the G8 at Gleneagles. He described sound policy as the key to reducing energy poverty, explained that clean technology requires funding to buy down the increased costs, for developing countries, associated with more efficient technologies. He added that a carbon fund would require a negotiated stable, reliable, long-term international policy regime.

Thorning said the EU is expected to be four percent above their Kyoto Protocol emissions target in 2010 instead of eight percent below 1990 levels, adding that reliance on long-term government promises risks transferring wealth generation today in exchange for hot air tomorrow. PANAMA discussed the difficulties of accessing funding from the GEF and the World Bank. AUSTRALIA noted that corruption was a special problem in the energy sector.

CHINA described prospects in the renewable energy market, and called for technology transfer. The RUSSIAN FEDERATION outlined its energy security goals and diversification of fossil fuel exports. The EU encouraged the CSD to promote integration of the energy dimension into national sustainable development and poverty reduction strategies. The US highlighted case studies on partial credit guarantees to mobilize private financing and on capacity building for commercial financing of energy efficiency and renewable energy projects. YOUTH AND CHILDREN highlighted the role of youth in awareness-raising.

NORWAY emphasized the potential impacts of competition for capital within developed countries on developing country investments. Birol noted the need for a response from the international community. The Chair pointed out that rising oil prices may not impact investments in renewables.

EGYPT stressed the need to fund both climate change mitigation and adaptation. CANADA discussed sustainable technology initiatives to encourage private sector investment. The WORLD HEALTH ORGANIZATION stressed the need for developing countries to request development assistance for energy activities. The EUROPEAN COMMISSION, with MEXICO, highlighted the need for risk guarantee facilities to overcome bottlenecks in financing.

Responding to NGOs, Birol acknowledged problems with nuclear energy, but said he did not envisage a phase-out of the technology in the next 25 years. Highlighting the investment responsibilities of governments, WORKERS AND TRADE UNIONS called for a return to rights-based approaches.

Enhancing means of implementation through sub-regional, regional and international cooperation: This session was chaired by Vice-Chair Azanaw Abreha (Ethiopia).

On facilitating regional energy initiatives, Mats Karlsson, World Bank, noted the need for an integrated and coherent multilateral approach and national-level energy sector reform. Ravi Sawhney, UN Economic and Social Commission for Asia and the Pacific, outlined regional cooperation programmes on renewable energy. Jamal Saghir, World Bank, outlined the Bank's work on the investment framework on clean energy, focusing on energy for development, climate change adaptation and mitigation, and observed that the power sector is particularly prone to corruption. Lindiwe Lusenga, Department of Science and Technology, South Africa, identified critical factors for implementing science and technology initiatives, including: access and affordability; training and qualifications, especially for youth and women; investment in research and development, including private sector support; and targeting demand-driven projects. Highlighting the need to incorporate gender analyses in energy studies, A. Rani Parker, BC Synergies, illustrated the disadvantages endured by women and girls in their household and rural energy roles. She explained the essential role of gender and participatory analyses in identifying local needs and supporting local control. She described locally controlled hydro and solar energy initiatives, including water pumps powered by children's merry-go-rounds.

Discussion: The CENTRAL AMERICAN INTEGRATION SYSTEM called for innovative international market mechanisms to recognize the value of ecosystem services in developing countries. The EU noted elaboration of a Sustainable Consumption and Production Action Plan in 2007. CUBA underlined the importance of innovative financial solutions, public sector engagement, and, with MOROCCO, South-South cooperation. Sawhney noted the proliferation of South-South cooperation and partnerships, with China among the biggest energy investors in Africa. AUSTRALIA emphasized the importance of measures to reduce corruption.

MEXICO stressed the role of international cooperation in triggering local action. Sawhney noted links between sub-regional and regional cooperation and fostering national and local-level action. The US underlined the importance of considering locality and scale when identifying barriers.

JORDAN encouraged multilateral cooperation, citing its work with a USAID-Israel-Palestine initiative using renewable energy for water desalination. JAPAN noted the importance of long-term regulatory frameworks and public-private partnerships.

CANADA said the role of energy in realizing the Millennium Development Goals (MDGs) had not been fully articulated when they were launched. SOUTH AFRICA noted measures needed if the MDGs are to be achieved, including predictable aid flows, increased trade and debt relief, and, with TANZANIA, said the GEF Resource Allocation Framework will limit resources for Africa. The DOMINICAN REPUBLIC noted the challenges of addressing the MDGs when 35 percent of the national budget is spent on energy.

Emphasizing the Rio principles, PAKISTAN called for technology transfer and financial assistance. FARMERS encouraged increased scientific and technological research and transfer. Highlighting the Bali Strategic Plan for Technology Support and Capacity-Building, VENEZUELA also called for peace and security commitments. NORWAY noted a French initiative to use an air travel tax to raise funds for development assistance. He also drew attention to discussions on opening the Convention on Long-Range Transboundary Air Pollution to signatories outside the UN Economic Commission for Europe region. Saghir underlined the role of development assistance in leveraging private sector investment, and called for more discussion on country-level harmonized approaches to donor requirements.

Addressing energy, industrial development, air pollution/atmosphere and climate change in an integrated manner:

Vice-Chair Azanaw Abreha (Ethiopia) chaired the meeting. Tsutomu Uehara, Vice Mayor of Kyoto, Japan, reviewed the city's initiatives, including a ten percent emissions reduction goal, and reuse of home tempura cooking oil as a fuel in buses and trucks. Jayant Sathaye, Lawrence Berkeley National Laboratory, identified lessons from energy efficiency research, including the importance of a comprehensive approach and adapting technology to address current challenges. David Goldstein, Natural Resources Defense Council, noted successful energy efficiency in California, using both mandatory and voluntary approaches.

Tom Kerr, US Environmental Protection Agency, said the US may be able to halve its demand for electricity through energy efficiency. Huang Ming, China Himin Solar Energy Group, reviewed the Triple Recycling Renewable Energy Programme and the China Renewable Energy Law implemented at the beginning of 2006.

Discussion: The US underscored the value of collecting case studies to serve as a tool for implementation efforts. JAPAN said the CSD session had built political momentum and recounted efforts in relation to sandstorms. The EU welcomed the integrative nature of the discussion but warned that sustainable development was not sufficiently integrated in policy making. CANADA called for public engagement and, with CHINA, stressed the integrative approach. SCIENTIFIC AND TECHNOLOGICAL COMMUNITY urged interdisciplinary methods, suggested a global energy assessment, and mentioned declining investment in research and development. ITALY said it will organize an international task force on education for sustainable consumption to provide a bridge between the Marrakech Process and the UN Decade of Education for Sustainable Development. NORWAY identified links between energy, health and gender.

INDONESIA described the effects of rising oil prices and called for funding and technology transfer. The UK focused on the transport sector and emissions control. NGOs advised regulation in the aftermath of corporate scandals, and called for the CSD to facilitate pro-poor policies. INDIGENOUS PEOPLE said they are often excluded from data collection on relevant indicators. WORKERS AND TRADE UNIONS emphasized links between workers' health and environmental protection. MAURITIUS stressed the importance of energy security for SIDS. MEXICO discussed air pollution and climate change, and urged regulation where markets fail. WOMEN said research shows that women are most affected by the current challenges, and BUSINESS AND INDUSTRY stressed the role of partnerships.

IN THE CORRIDORS

It reportedly took several days for some delegates to catch up with the news that Chair Aleksishvili would not be joining them in New York this week, due to a series of economic shocks to the Georgian economy, including a collapse in incomes for wine growers. There has been some speculation about the prospects of the Chair taking up his responsibilities at CSD-14 in the second week, when he is due to deliver a Chair's summary of deliberations.

There is continuing unease about the role of the Matrix, which, some fear, could divert attention from the preparation of recommendations that have to emerge from CSD-15 next year. Appraising discussions to date, some delegates conveyed lingering discontent that economic and technical matters have been given most attention, at the expense of environmental and social dimensions, as well as cross-cutting issues. On a positive note, however, one delegate noted that policy statements have, mercifully, been kept to a minimum.