

## CSD-14 HIGHLIGHTS: TUESDAY, 9 MAY 2006

On Tuesday morning participants held discussions on the contributions of the private sector and other stakeholders to addressing issues under the CSD-14 thematic cluster, including air pollution and atmosphere, combating climate change and promoting industrial development. In the afternoon the first part of the Chair's Summary of deliberations was distributed, and participants met briefly to make initial comments.

### THEMATIC DISCUSSIONS

**Enhancing the contributions of the private sector and other stakeholders:** Vice-Chair Javad Amin-Mansour (Iran) chaired this panel-led discussion on increasing investment in energy and industrial development, fostering entrepreneurship, promoting micro-, small and medium-sized enterprises, and corporate social and environmental responsibility.

Peter Odili, Rivers State, Nigeria, addressed the conditions required to attract energy investment, including a stable investor-friendly environment, and described the facilitating role required of governments. He discussed an independent power generation project in the Rivers State based on partnership, transparency and open competition. Linda J. Fisher, DuPont, noted three roles for multinational corporations (MNCs): a sustainable approach to the environment, using ambitious targets; bringing new and innovative solutions to the market and then applying these to supply chains; and, working closely with multiple stakeholders in pursuit of social responsibility. She underlined the need for a clearly defined governance framework in developing countries, and the challenge of scaling up projects into sustainable business models. Noting the tendency of enterprises to shift responsibility onto workers and future generations, Bernard Saincy, Confédération Générale du Travail, France, highlighted the need to make enterprises more transparent, reform voluntary frameworks, and utilize fundamental rights as a new tool for social dialogue. He called for discussion at CSD-15 on a regulatory framework for corporate social responsibility.

Karsani Aulia, Pertamina-Bumi Siak Pusako Energy, Indonesia, described a small national oil company's contribution to protecting the environment. Referring to extraction operations, he noted the protection of flora and fauna, a zero discharge water policy, and ISO14001 certification. To maximize the private sector's role, Steve Lennon, Eskom, stressed the need to take full advantage of the dividends from infrastructure project development, align funding with development priorities, pursue efficient energy systems in developing countries, and engage in technological development through partnership. He underlined the importance of project design in making the

most of development benefits. Noting two initiatives for the development and transfer of technologies, Brian Flannery, Exxon Mobil, stressed the critical role of partnerships in phasing out leaded gasoline around the world and developing new clean technologies.

**Discussion:** The EU said that given the central role of foreign direct investment, win-win approaches are needed to stimulate the use of sustainable development investment standards. He outlined the EU's pilot project on transparency in the extractive industry, called for a system of early notification of regulatory changes that may influence investment decisions, and highlighted the importance of meeting the International Labour Organization's core standards. SENEGAL said increasing wealth and acquiring environmentally sound technology would be facilitated by expanded credits and easier market access. INDIA described successful examples of cooperation across the private and public sectors since economic liberalization, including, *inter alia*, reduction of energy intensity by a third, reuse of industrial waste, and successful community-led litigation against local industries. Responding to Senegal and India, Odili discussed success in securing private investment in energy projects through government-led investment strategies.

SWEDEN said CSR does not require the imposition of developed country standards on developing countries, and welcomed the development of ISO 26000 on social responsibility. INDONESIA described a number of initiatives, including the use of an industrial rating system and a Memorandum of Understanding between the Ministry of Environment and the Central Bank to provide financial incentives and monitor performance. NGOs summarized the results of a Stakeholder Forum Roundtable, including the need for research on effective renewables and energy efficiency incentives, support for locally owned renewable energy businesses, and suggested a fund be developed ahead of CSD-15, based on savings derived from removing nuclear and fossil fuel subsidies. The NETHERLANDS suggested developing a clearinghouse for ideas on improving environmental and social performance in developing countries.

KUWAIT underlined the importance of promoting local and global energy efficiency to achieve sustainability goals, but noted that obtaining advanced technology remains a major concern. The US highlighted the vital role of the private sector in advancing sustainable development and stressed public-private partnerships as the most effective way to develop workable solutions. Noting the emphasis on market based technology-driven solutions at CSD-14, WORKERS AND TRADE UNIONS stressed that technology transfer often originates in government labs, and that decent jobs are fundamental to poverty reduction. JAPAN highlighted the role

of the private sector in public awareness-raising, especially regarding energy efficiency. He noted the efforts of some Japanese companies working with schools and NGOs, and said this should be supported during the UN Decade of Education for Sustainable Development.

Highlighting the damage caused in their territories by extractive industries and large hydroelectric facilities, INDIGENOUS PEOPLE called for a process of accountability for corporations and government. The Economic Commission for Latin America and the Caribbean (ECLAC) described a Caribbean initiative providing support for public and private multi-island projects to reduce costs compared to those incurred by carrying out projects on individual islands. SOUTH AFRICA said mentoring for SMEs was required in the energy sector, that advertising should promote energy efficiency and sustainable consumption, and that technical, financial and regulatory incentives need careful consideration. YOUTH AND CHILDREN called for government oversight to deal with environmental and social costs, and said the market and private sector alone would not achieve environmental justice and sustainability. WOMEN emphasized partnerships involving women, investment in their access to energy and women-owned SMEs.

Flannery said the International Petroleum Industry Environmental Conservation Association has effective and comprehensive standards that exceed the requirements of government regulations, and that energy efficiency is an important source of large savings. Lennon said affordability and efficiency had to be balanced, tariffs must be designed to avoid unwanted incentives, and that local government bodies are good partners for energy efficiency projects.

#### **DISCUSSION ON THE CHAIR'S SUMMARY**

In the early afternoon, copies of the first part of the Chair's draft Summary were distributed to participants. The draft contains sections on intersessional events, overall review, thematic discussions, regional discussions, the SIDS day, interactive discussion with Major Groups, and the Partnerships Fair, Learning Center and Side Events. A final version of the Summary will be posted on the UN DESA website Wednesday.

At 5:00 pm Chair Aleksis Aleksishvili (Georgia) joined participants and invited them to make factual comments on his Summary. He opened the meeting with words of thanks to the Vice-Chairs and the participating delegations for contributing to dynamic and rich discussions. He noted that the first part of his Summary captures key points that emerged in discussions during the official segment of CSD-14.

The G77/CHINA, supported by several countries, stressed the need for a greater emphasis on means of implementation, such as aid effectiveness, technology transfer, financing and market access. A number of delegations cautioned against introducing energy security as a new thematic issue.

The G77/CHINA, CANADA, the EUROPEAN COMMUNITY and the US noted that the Summary should distinguish between factual statements and judgment calls. CANADA suggested that a chapeau be inserted to clarify that the document is based on country and Major Group interventions. Several countries noted that the Summary is not a consensus document.

ICELAND questioned the accuracy of a suggestion in the Summary that progress on implementation is "at best mixed and limited". The US noted the need to capture factual information from the Partnership Fair and Learning Centre. While welcoming the language on inter-linkages, cross-cutting and gender-related issues, the EUROPEAN COMMUNITY said neither progress at the UNFCCC COP-11 in Montreal nor energy savings had been adequately reflected in the Summary. She also called for more emphasis on the role of targets.

ARGENTINA objected to references to trade-offs between environmental protection and economic growth in developing countries, and stressed that MNCs must comply with environmental standards.

Questioning a reference in the Summary to the CSD's role in climate change, several countries said the CSD does not have a mandate to mainstream climate change into the sustainable development agenda. A number of countries also expressed concern about text stating that the principle of common but differentiated responsibility remains "an issue" for many. On industrial development, some delegations noted that the language lacked balance and did not reflect the statements made on this subject. BRAZIL stressed the need to recognize the success of biofuels in developing countries, and some countries suggested that the discussion on renewable energy should be more thoroughly reflected.

SAUDI ARABIA said language on the need for cleaner fossil fuel technologies was missing from the Summary. QATAR suggested including natural gas as a clean technology, and PAKISTAN highlighted best practices in the use of compressed natural gas in the transport sector.

On references to climate change, AUSTRALIA expressed reservations about language implying that there is a perceived dichotomy between choosing adaptation and mitigation approaches, and noted that the Summary should reflect all country statements on both adaptation and mitigation. She called for a global risk assessment within the scope of existing frameworks, such as the UNFCCC. Many countries noted the lack of focus on supporting climate change adaptation in SIDS and other developing countries, and AOSIS said climate change adaptation is not a substitute for mitigation. ECLAC called for a stronger emphasis on climate change indicators.

Guyana, on behalf of the RIO GROUP, supported by Tanzania, on behalf of the AFRICAN GROUP, expressed disquiet that the text does not fully reflect their concerns. CHINA stressed the need to use language from the JPOI, and said protection of intellectual property rights must not be used as a barrier to technology transfer. AZERBAIJAN noted that a lack of capacity and natural resource endowments can act as barriers to the development of renewable energy.

#### **IN THE CORRIDORS**

The 33-pages of the Chair's Summary provoked ample reactions from the floor and in the corridors. One group who celebrated a job well done was the women's caucus. They noted with some satisfaction that gender issues had been referenced in most key sections, including an acknowledgement that gender considerations and the energy needs of poor and rural women and children need to be an integral part of energy planning, energy projects and decision making. However, they would have preferred to see this endorsement in the operational section on Means of Implementation. The caucus also felt that references to disaggregated data could have been strengthened if accompanied by a reference to gender analysis in the context of energy projects.

One delegate was heard pointing out that given the sheer volume of contributions from the floor during the session, the Chair's Summary might still be regarded as a genuine attempt to accurately reflect the debate so far. For Europeans and others, however, the most significant criticism was the eclipse of climate change by the security and access dimensions of the energy agenda in the Summary. Some delegates were heard making favorable comparisons to CSD summaries of the recent past. To one participant, at least, the "continuing challenges" subsections under each heading signal the first shots in the exchanges over the most contentious issues that will echo between now and CSD-15.