

CSD-14 HIGHLIGHTS: WEDNESDAY, 10 MAY 2006

The high-level segment began in the morning with a statement by the UN Secretary-General Kofi Annan followed by a panel-led discussion between ministers, business leaders and representatives of international financial institutions. In the afternoon, the Director-General of the World Trade Organization, Pascal Lamy, delivered a statement by video link at the beginning of a high-level discussion on barriers and constraints in the context of addressing the thematic cluster.

HIGH-LEVEL SEGMENT I

Making a Difference: Ministerial dialogue with business leaders: Chair Aleksis Aleksishvili (Georgia) opened the high-level segment and invited the UN Secretary-General Kofi Annan to address the meeting. The Secretary-General described the multiple risks associated with the world's deeply entrenched reliance on fossil fuels and the despair of those who lack access to modern energy services. He said the lack of energy acts as a barrier to the achievement of the MDGs and industrial development. The Secretary-General challenged developed countries to help developing countries double their electricity generation capacity using cleaner technologies, and, on climate change, called for more participation in the flexible mechanisms. He said inter-generational equity exerts only a weak hold on people's imagination and wallets.

Chair Aleksishvili invited a panel of speakers, including ministers and representatives of business and international financial institutions, to commence discussion on "Making a Difference". Lindiwe Hendricks, Minister of Minerals and Energy, South Africa, called on multilateral agencies to find innovative ways to assess renewable energy proposals, fund credit guarantees to back technology transfer, and invest in developing country capacity to integrate best practices.

Abdullah bin Hamad Al-Attiyah, Second Deputy Prime Minister and Minister of Energy and Industry, Qatar, described the role of his country's oil and gas partnership activities, including their contribution to greenhouse gas (GHG) emissions mitigation through natural gas conversion. Announcing her decision to target women as part of a pledge to provide 10 million people with modern energy services before 2015, Agnes van Ardenne-van der Hoeven, Minister for Development Cooperation, the Netherlands, stressed output targets for donor countries and a proposal that oil-producing countries allow their ODA percentage to rise with oil prices, and spend the extra money on access to energy for the poor. On modern energy services for the poor, she mentioned investment by companies

and suggested a more balanced approach to the Investment Framework for Clean Energy, which addresses this objective. She called on the Russian Presidency of the G8 to place access to energy for the poor on top of its St Petersburg agenda, and invited the World Bank to discuss this issue at its annual meeting. Noting energy headlines around the world, Paula J. Dobriansky, Under-Secretary of State for Democracy and Global Affairs, United States, said the US is working harder than ever to develop transformational energy technologies to reduce reliance on oil. She cited decreases (per kilowatt-hour) in the cost of renewable energy such as wind and solar, noted the importance of effective policy and regulatory frameworks to encourage private investment, and described energy initiatives such as the Global Nuclear Energy Partnership.

Du Ying, Vice Chairman of National Development and Reform Commission, China, said the gaps in wealth between countries and regions are growing, especially between North and South. He called for an enabling model of economic development, and noted China's continuing efforts to create a conducive investment climate. Hassan Ahmad Younis, Minister of Electricity and Energy, Egypt, described regulatory reform in his country's electricity sector. Valli Moosa, Eskom, noted that the private sector can contribute to energy access if market incentives are created for large industrial electricity users, with a view to enabling the poor to benefit from infrastructure development. Travis Engen, World Business Council for Sustainable Development, underlined that business is the engine of change and stressed the global relationship between energy and climate change. John Hofmeister, Royal Dutch Shell, said environmental protection and meeting society's energy demands are not incompatible goals. Noting that the US and the EU have a responsibility to show leadership, L.G. Josefsson, Vattenfall, stressed the need for a credible, stable and long-term global framework for making GHG reductions. He said the chief barrier is the need for policy making.

Abdulla Sallat, Qatar Industries, described the public sector's role in enabling the private sector to take a lead in efforts to diversify the petrochemical industry. Massimo Romano, ENEL SpA, described 2012 - the final year in the 2008-2012 commitment period under the Kyoto Protocol - as a barrier to investment, and said the European approach needs to include more than 30 percent of emissions to take account of the distribution of emissions between developed and developing country emitters. Herman Mulder, ABN AMRO, invited participants to "think big, start small", replicate and scale up, ensure transparency and accountability, and build capacity at the local level. Claude Nahon, EDF Group, said partnerships need a long-term stable environment, and that partners should undertake

only what they can deliver. Fasihul Karim Siddiqi, Hinopak Motors Ltd., described transformations underway in Pakistan, highlighting partnerships and the improved social outlook of business. Len Good, Global Environment Fund (GEF), recalled the importance of off-grid energy sources for the poor, focusing on tried and tested renewable energy technologies and developing supportive policy frameworks. Kathy Sierra, World Bank, described the Bank's work on an investment framework for clean energy and development.

Discussion: The BAHAMAS compared the effort needed to bring about a paradigm shift in energy services to that of the global response to HIV/AIDS. Responding to the Netherlands, SAUDI ARABIA said its ODA level has risen to 1.3 percent of GDP. A joint statement by NGOs, WORKERS AND TRADE UNIONS, WOMEN, YOUTH and INDIGENOUS PEOPLE, stressed that sustainable development is not sustained economic growth, but aims to meet basic needs, and emphasized inter-generational equity. The DOMINICAN REPUBLIC recalled President Leonel Fernández's proposal that a summit be convened to address the volatility of oil prices. Replying to the Netherlands on the adoption of performance standards, Engen said that a sectoral approach is feasible and cited the examples of the aluminum and cement sectors.

The Chair thanked the participants and announced that he would be returning to Georgia.

HIGH-LEVEL SEGMENT II

The Way Forward - Discussion on the thematic cluster:

In the afternoon Vice-Chair Azanaw Abreha (Ethiopia) chaired a ministerial dialogue on "The Way Forward", which focused on barriers to and providing guidance on the priority areas to be addressed during the CSD preparatory meeting and policy session in 2007.

Delegates heard Pascal Lamy, Director-General, World Trade Organization (WTO), by video link. He said the harm done to the environment must begin to feature as a "cost" in international trade transactions. He added that the WTO will gradually address export restrictions and quotas applied to trade in energy, noted that negotiations on liberalization of environmental goods and services can impact positively on energy, and that there are proposals to lower barriers to trade in renewable energy technologies.

G-77/CHINA noted the CSD's important role in considering means of implementation. He also highlighted the role of the Bali Strategic Plan for Technology Support and Capacity-building, and called for substantial replenishment of GEF, noting that its new Resource Allocation Framework severely limits resources available to Africa.

To ensure coherence on climate change action, the EUROPEAN COMMUNITY suggested forwarding the Chair's Summary to UNFCCC COP-12. He stressed the importance of follow-up and review of energy for sustainable development, and reiterated commitments to action-oriented outcomes from CSD-15. The NETHERLANDS noted three key issues for CSD-15, including: the need for an integrated approach, emphasizing access to energy services; capacity building; and stimulation of investment.

GABON said poverty reduction is central to its sustainable development and investment strategies, and noted its phase-out of leaded gasoline. CHINA underlined sustainable development as a key national strategy, describing energy efficiency as a core feature.

On international cooperation, QATAR suggested targeted policies to ensure that countries lacking energy resources achieve social and economic development. While maintaining that geothermal resources could provide energy for 600 million

people, ICELAND noted obstacles, including global energy infrastructure designed for fossil fuels. SAUDI ARABIA called for the development of cleaner fossil fuel technologies.

Underlining the need to decouple energy demand and environmental degradation, IRELAND said the take-up of renewables cannot be left to business and that intergovernmental processes must set objectives. AUSTRALIA called for a "hybrid world" based on a mix of effective energy solutions. GERMANY discussed win-win CDM investment opportunities, and called for global expansion of renewables and a post-2012 agreement on climate targets. INDONESIA described its use of cleaner fuels to improve urban air quality.

UNITED ARAB EMIRATES said his country had acceded to 22 international environmental conventions. NAURU urged greater support for Ocean Thermal Energy Conversion. The SOUTHERN AFRICAN DEVELOPMENT COMMUNITY highlighted a Regional Indicative Strategic Development Plan and the Southern African Power Pool. SERBIA AND MONTENEGRO described work on pollution hot spots near lignite-fired power plants. BENIN said it depends on biomass for 60 percent of its energy supply.

BANGLADESH highlighted the importance of appropriate control technologies, management strategies, and human and financial resources. NIGERIA described a new agency to support SMEs. UGANDA outlined challenges to industrial development, including research, innovation diversification and technology diffusion, noting the need for partnerships.

Emphasizing that the developed world must shift to more sustainable lifestyles, SWEDEN described an initiative to move away from its reliance on oil by 2020. She called for empowering women in all aspects of sustainable development.

SOUTH AFRICA said trade is central for enhanced economic growth. She stressed that donor commitments have not been fulfilled, and advocated monitoring frameworks to ensure aid effectiveness.

ISRAEL described solar energy initiatives in construction. BELARUS voiced concern about plans by a neighboring country for a nuclear waste dump near its borders. BULGARIA said his country was the first to host Joint Implementation projects under the Kyoto Protocol. IRAN called for efforts to tackle unsustainable use, production and consumption of energy. THAILAND said high upfront costs for renewable and clean energy technologies represent a critical barrier for developing countries. The REPUBLIC OF KOREA stressed demand-side energy policies, including taxation. HUNGARY suggested a new paradigm in industrial development. The EUROPEAN COMMISSION, TUVALU and DENMARK called for an effective mechanism to follow up CSD-15 recommendations. DENMARK warned that subsidies hinder the competitiveness of renewable technologies. FRANCE described research on a carbon footprint that will help define a price for carbon emissions foregone. ARMENIA explained that competitive energy pricing is fundamental to poverty reduction.

IN THE CORRIDORS

The first day of the high-level segment was marked by the star-studded presence of several top leaders from the business community. So there was a little surprise when the opportunity to have an interactive discussion with the blue-ribbon panel was barely taken up and came to an early close at midday, after a few timid questions from the floor. One participant commented that the sheer cost of bringing some very busy people to New York – not to mention the ecological footprint – somewhat diluted the CSD's passion for sustainability. The WTO Director-General took the prize for minimizing his own ecological footprint by using a video link to deliver his address.