

CSD-15 IPM HIGHLIGHTS: TUESDAY, 27 FEBRUARY 2007

Delegates considered energy for sustainable development in the morning and part of the afternoon, before turning to the issue of industrial development. On energy, discussions focused on access to reliable and affordable energy services, energy efficiency, financing and investment, the development and transfer of cleaner and advanced energy technologies, and different energy sources. On industrial development, the IPM focused on promoting an enabling environment, capacity building, and consumption and production.

ENERGY FOR SUSTAINABLE DEVELOPMENT

Delegates addressed this issue on Tuesday morning and afternoon. The session began with presentations from panelists, followed by statements from parties.

PANEL PRESENTATIONS: Bikash Pandey, Winrock's Clean Energy Programme, Pakistan, spoke on the close link between energy and poverty reduction, and indicated its basic importance for sustainable development. He highlighted the unprecedented rise in investment in renewables (currently one-quarter of total spending), mostly in OECD countries, China and India. He urged adoption of timelines for affordable access to modern energy services, and global partnerships to replicate and scale up experiences.

Shahmar Movsumov, State Oil Fund, Azerbaijan, described his country's participation in the Extractive Industries Transparency Initiative, and highlighted the prudent use of natural resources, transparency, accountability and collaboration with stakeholders.

Hasan M. Qabazard, OPEC, proposed a long-term approach recognizing that poorer countries must prioritize poverty eradication while seeking a pathway to sustainable development, and that they are disadvantaged in competitive global markets. He stressed the need for international support, stating that development institutions in the OPEC community have spent over US\$75 billion to finance 5000 projects in 120 countries.

PARTIES' AND MAJOR GROUP STATEMENTS: Over 50 delegates made interventions.

Energy Access: The G-77/CHINA highlighted the special needs of SIDS, LDCs and countries emerging from conflict, and recommended, *inter alia*, increasing access by improving transparency of energy markets and energy and transport infrastructure. He also urged enhanced regional cooperation through interconnecting electricity grids and oil and gas pipelines, and international cooperation to harmonize standards and labeling for energy efficient appliances and testing methods.

The EU highlighted the immensity of the problem of access to affordable, reliable and sustainable supply of energy services, and the scale of the resources necessary, and called for increased

global efforts to guide investments. The US highlighted some of the proven solutions emerging from the 120 cases currently in the Matrix, and called on CSD to focus on disseminating, replicating and scaling up the solutions emerging from country implementation experiences.

Many countries supported a focus on rural energy and electrification in developing countries, and the link to poverty eradication. SOUTH AFRICA highlighted the need for a package of initiatives to meet rural needs, including transport, mini-hydropower, and mini-electrical grids, and urged a focus on implementation. Barbados, for AOSIS, and PAPUA NEW GUINEA, noted the gender dimension in rural energy issues. WOMEN called for reducing by half the number of women without access to modern energy services for cooking and critical household needs. The NETHERLANDS described a project involving NGOs and international financial institutions to improve energy access for 10 million women. AFGHANISTAN stressed the special energy needs of countries emerging from armed conflict.

Many parties also stressed energy security. INDONESIA and JAPAN highlighted the Cebu Declaration on East Asian Energy Security. CHINA urged stronger international cooperation and avoiding politicizing energy issues.

Energy Efficiency: The G-77/CHINA urged improving energy efficiency through supportive policy frameworks at national level, power sector reform and harmonized systems of testing, certification and labeling. The EU urged all states to adopt time-bound targets to increase efficiency and diversify sources, noting that the EU Energy Council recently supported the targets of, by 2020, reducing energy use by 20% through increased efficiency, increasing the share of renewables to 20% and increasing the share of biofuels to 10%. JAPAN stressed the value of setting energy efficiency standards. NORWAY stressed energy efficiency, phasing out subsidies, more efficient use of fossil fuels, including switching to natural gas, and good governance and anti-corruption measures. BUSINESS AND INDUSTRY supported energy efficiency across the entire chain from production through consumption, and highlighted the need for private sector incentives for technology development and dissemination, which depends on the protection of patents and intellectual property rights.

Financing and Investment: CANADA stressed an enabling environment for investment in energy, clean energy technology development, addressing wasted energy and conservation. JAPAN urged greater cooperation with the private sector, since it has developed much of the clean technology available. MEXICO called for ending subsidies that harm the environment, and COSTA RICA supported eliminating subsidies, especially to extractive industries.

SAUDI ARABIA noted increases in energy demand that will require large investments, and urged steps to address uncertainties and market volatility. PALESTINE said people

living under foreign occupation are divested of choice and control over energy sources, and are obliged to pay excessive prices for imported energy. VENEZUELA urged solidarity in addressing energy issues. REPUBLIC OF KOREA spoke about fiscal incentives to lower the cost of propane, subsidies for rural delivery systems, and reducing emissions and usage through energy efficiency incentives in the design and construction of buildings.

Technology Development and Transfer: Many countries noted that the initial costs and technology needed for renewables is a major obstacle, and urged donor support. AOSIS noted the vast potential for renewable sources in SIDS, given sufficient financing. QATAR called for technology transfer to address carbon sequestration and storage. AZERBAIJAN urged technology transfer to oil exporting developing countries to ensure cleaner fossil fuels. KUWAIT urged careful consideration of the possible harmful effects of renewables, especially in developing countries. INDIA proposed greater cooperation among research and development institutions on technology development.

Energy Sources: Many speakers stressed the importance of renewables. TUNISIA reported on solar and wind energy use, and urged regional and sub-regional cooperation on new and renewable energy sources. CHILE outlined its energy priorities, including development of renewables and a framework for private and public sectors working together to provide energy with regard for environmental and social factors. The UK suggested accelerated spread of renewables, better use of unexploited energy opportunities in developing countries, exchange of best practices and replication of successful models. EGYPT and MOROCCO outlined new projects focused on wind and solar power.

Several speakers, including IRAN, SAUDI ARABIA, KUWAIT and UNITED ARAB EMIRATES noted that fossil fuels will continue to be the dominant energy form, and highlighted issues of economic diversification.

The RUSSIAN FEDERATION highlighted solidarity of parties in the energy market, including suppliers, transit countries and consumers. He called for a balanced approach to all components of the energy basket, including new and renewable sources of energy, and nuclear energy. ICELAND argued that renewables, especially geothermal energy, offer an attractive and low-cost solution, but that political will is required.

ALGERIA noted the role of natural gas and nuclear, and ARGENTINA noted the role of nuclear given climate change concerns. AOSIS said nuclear energy should be phased out as soon as practicably possible, given the risks of this technology. On carbon capture and storage, he noted that this technology is in its infancy, so should be considered for CDM only when it has been properly reviewed, in 3-5 years. INDIA said we should avoid demonizing nuclear and carbon storage as all sources will be required and fossil fuels will be here for some time.

ISRAEL said the environmentally-friendly use of oil shale should be given serious consideration. BRAZIL, the NETHERLANDS and ITALY highlighted the role of biofuels, while ITALY also noted the challenge of avoiding negative impacts on food production. BRAZIL drew attention to the launch of the International Biofuels Forum taking place on 2 March. SOLOMON ISLANDS proposed that CSD create a database for community-level technology, including small hydro.

NAURU asked for international support for harnessing tidal and wave energy. SENEGAL noted the large scale deforestation caused by lack of access to alternative energy. JORDAN cited studies showing how combined solar and thermal power could greatly decrease dependence on external energy sources.

INDUSTRIAL DEVELOPMENT

This session was facilitated by CSD Vice-Chairs Jiří Hlaváček (Czech Republic) and Luiz Alberto Figueiredo Machado (Brazil). The session began with two panel presentations.

PANEL PRESENTATIONS: Nabil Nasr, Center for Integrated Manufacturing Studies at the Rochester Institute of Technology, began by emphasizing national policy development for industrial infrastructure and the impact of new infrastructure. He said governments could strengthen linkages between the research community and industry, eliminate market barriers to sustainable products, support clean production standards, and address the lack of standards and metrics for sustainable production.

Annabella Rosemberg, International Confederation of Free Trade Unions, stressed the links between respect for the fundamental rights of workers and the environment. She noted that few governments have taken advantage of workers and unions as agents for positive change, noting that unions are the main providers of adult training in a wide range of areas.

PARTIES' AND MAJOR GROUP STATEMENTS: The G-77/CHINA said countries should develop policies to suit their national circumstances, and urged CSD-15 to agree on action-oriented policy options. He identified supply and demand side challenges, and urged developed countries to eliminate tariff barriers and increase financial assistance to 0.7% of GDP. He also stressed scaling up resource flows for basic infrastructure, strengthening support for small and medium-sized enterprises (SMEs), and awareness raising to change consumer behavior.

The EU stressed the impact of sustainable industrial development for reaching the MDGs, and said developing countries should be fully integrated into the global trading system. He supported encouraging innovation and entrepreneurship, and highlighted UNIDO's relevant work, the Marrakesh process on consumption and production, and the ILO's vital role in supporting the MDGs.

CANADA noted the importance of encouraging and facilitating private sector investment. The US urged a focus on practical approaches rather than broad discussions. He cited examples from the Matrix and suggested looking at scaling up successful ones.

CHINA supported South-South cooperation and national policies that strengthen countries' industrial base, and urged developed countries to open their markets and provide environmentally-sound technologies on favorable terms.

IRAN stressed that industrial development will contribute to the achievement of MDGs. MEXICO spoke of social factors, and called for the "reduce, reuse and recycle" approach. JAPAN referred to the significance of capacity building, SMEs, and national actions in conservation and waste management. MAURITIUS described challenges facing SIDS in diversifying industry and noted problems retaining skilled workers.

INDIA noted problems associated with inefficient energy utilization in their micro-industrial sector. SOUTH AFRICA urged the completion of the Doha round of trade negotiations and called for support for high impact investments, especially those targeted at the poor and women. The NETHERLANDS described its "Clean, Clever, Competitive" initiative to promote synergies linking job creation, education, and environment.

WORKERS AND TRADE UNIONS said industrial strategies should include planning to create sustainable jobs, and agreed with calls to support ILO initiatives. WOMEN urged support for vocational training, investment in SMEs and women entrepreneurs, and increased energy access. INDIGENOUS PEOPLES supported a focus on "green chemistry" and "green engineering" to reduce or eliminate dangerous substances and harmful production. BUSINESS AND INDUSTRY supported open market economies, transparency and partnerships.

IN THE CORRIDORS

Some delegates were heard referring to the IPM's sessions on Tuesday as "uninspiring," "unexciting," or even, in the words of one participant, "dull." While a few delegates pointed to the large number of interventions, particularly on energy issues, as a positive sign, others felt that the prepared statements in most cases reflected positions that had already been well rehearsed.