

CSD-15 HIGHLIGHTS: THURSDAY, 3 MAY 2007

On Thursday delegates met in parallel sessions of two working groups to engage in a first reading of the Chair's revised draft negotiating document, distributed on Wednesday afternoon. Working Group 1 considered energy for sustainable development, and Working Group 2 discussed climate change and industrial development.

WORKING GROUP 1

ENERGY FOR SUSTAINABLE DEVELOPMENT: This session was facilitated by Vice-Chair Frances Lisson (Australia). After offering general comments on the Chair's text, countries proceeded to make specific textual suggestions.

Noting the diversity of views in the group, Egypt, for the G-77/CHINA, said that the Chair's text was not balanced as well as they would like. Germany, for the EU, expressed some concern but also hope that CSD-15 would deliver an important outcome. The US expressed disappointment, and with CANADA, NORWAY and SWITZERLAND noted that the document could be more concise. Grenada, for AOSIS, stressed the need to include financing mechanisms such as venture capital in the document. NORWAY suggested strengthening the role of women and energy efficiency.

In the chapter on energy for sustainable development, the Chair's text contains four introductory paragraphs, including a list of actions to be taken. The chapter also contains two sections, each with subsections, on "regional, sub-regional and international cooperation" and "means of implementation."

The EU, supported by the G-77/CHINA, proposed text emphasizing the importance of energy in achieving the MDGs. SAUDI ARABIA, with support from AZERBAIJAN and the RUSSIAN FEDERATION, suggested language strengthening the role of fossil fuels in the future; whereas, the EU, supported by GRENADA but opposed by KUWAIT, urged text that said fossil fuels "may" instead of "will" play an "important" instead of "dominant" role in the future. AZERBAIJAN, supported by SAUDI ARABIA, proposed text recommending the "increased development and use of advanced fossil fuel technologies."

ARGENTINA, with support from AUSTRALIA, AZERBAIJAN, CANADA and the RUSSIAN FEDERATION, proposed replacing the term "advanced, cleaner fossil fuel technologies" with "advanced energy technologies" throughout the document, and SWITZERLAND, supported by the EU, suggested deleting "hydrogen" from a list of recommended renewable energy sources.

On targets, the EU proposed replacing text that suggested increased use of policy tools to meet goals and targets, with language recommending time-bound targets on energy efficiency and renewable energy. JAPAN supported the original text. The G-77/CHINA preferred to defer discussion on specific language on targets.

On text relating to phasing out harmful subsidies, the G-77/CHINA sought greater clarification.

Vice-Chair Lisson adjourned the session at 11:50am to enable G-77/China consultations, and at 3:00pm she announced that the session would resume on Friday morning.

WORKING GROUP 2

CLIMATE CHANGE: This session was facilitated by Vice-Chair Luiz Alberto Figueiredo Machado (Brazil). After offering general comments on the Chair's text, countries proceeded to make specific textual suggestions.

The US expressed disappointment with the length and tenor of the Chair's text, which he said should reflect the magnitude of the challenge and the progress made. Germany, for the EU, Kenya, for the G-77/CHINA, and Cape Verde, for AOSIS, expressed general satisfaction. CANADA said the text did not reflect the global nature of the problem and its solution. He added that the text should indicate the role and added value of the CSD, and the "commonality" of the climate challenge.

In the chapter on climate change, the Chair's text contains two introductory paragraphs, including a list of actions to be taken. The chapter also contains two sections, each with subsections on "regional, sub-regional and international cooperation" and "means of implementation." In the introductory paragraphs, the G-77/CHINA suggested reframing the language to reflect the urgency, importance and reality of climate change and its impacts, special threats posed to developing countries, adaptation and mitigation, and historic responsibilities. He also said that the reference to post-2012 action should not overshadow the discussions. The EU suggested referring to the security implication of climate change and, supported by SWITZERLAND, to the reality and urgency of climate change and the latest findings of the Intergovernmental Panel on Climate Change (IPCC). The EU, opposed by the US, stressed the importance of sending a message to COP-13 and COP/MOP-3 on reaching a post-2012 agreement. The EU introduced language reflecting its concerns, including on launching negotiations on a post-2012 agreement at COP-13 and COP/MOP-3, and completing them by 2009. SWITZERLAND added language noting that climate change is caused by human activities.

In the paragraph on actions to be taken, the G-77/CHINA noted the need to reflect countries' common but differentiated responsibilities and to mainstream gender. On reducing emissions in accordance with the UNFCCC, the US and the EU suggested language streamlining the text. On linking climate change policies with other policies and measures, the G-77/CHINA cautioned against singling out specific sectors, and suggested a reference to "sustainable development strategies." SWITZERLAND suggested linking climate change policies to "sustainable energy policies," and the US to "energy technologies." TANZANIA suggested a new paragraph on adaptation, and the EU on creating stable incentives to enhance the use of market-based mechanisms. On carbon capture and storage, JAPAN suggested text requiring consideration of environmental impacts. The EU sought a reference to environmental safety, as well as the development of such technology within the "necessary technical, economic and regulatory framework." On carbon sinks, MEXICO, opposed by BRAZIL, sought a reference to "forest conservation and sustainable management." The EU proposed a reference to "sustainable afforestation," NORWAY to "preserving biodiversity," and TANZANIA to "avoiding deforestation." On increasing community resilience to climate change-related disasters, the EU suggested actions to tackle "water scarcity and droughts," JAPAN to "integrated water resource management," and ZIMBABWE to "enhancing indigenous coping strategies." MEXICO suggested that ecosystems be managed so as to "maintain their environmental services."

In the section on international cooperation, the G-77/CHINA suggested strengthening support for mitigation and adaptation. On participation in the Clean Development Mechanism (CDM), the US proposed language limiting the application of the paragraph to countries that are party to the Kyoto Protocol. On funding mechanisms for adaptation, the EU proposed strengthening "existing" funding mechanisms, TANZANIA added "for coping with the impacts of climate change," while AUSTRALIA, supported by CANADA and JAPAN, proposed deleting the paragraph as it refers to items included in UNFCCC negotiations. Calling for coordination between the Kyoto and Montreal protocols, the EU proposed new language on ozone depleting substances that are also greenhouse gases. She also suggested a new paragraph on promoting awareness among consumers and producers on their contributions to climate change. AOSIS proposed the establishment of a renewable energy fund. On the development of insurance schemes by industrialized countries to reduce the adverse impacts of climate change on developing countries, especially SIDS, LDCs and Landlocked Developing Countries (LLDCs), SWITZERLAND proposed, and AUSTRALIA, CANADA and the US opposed, text referring to climate change impacts caused by industrialized countries.

INDUSTRIAL DEVELOPMENT: This session was facilitated by Vice-Chair Jiří Hlaváček (Czech Republic).

In the chapter on industrial development, the Chair's text contains two introductory paragraphs, including a list of actions to be taken. The chapter also contains two sections, each with subsections on "regional, sub-regional and international cooperation" and "means of implementation."

In the introductory paragraphs SWITZERLAND proposed text on "sustainable" economic growth and industrial development "within the natural resource base." The G-77/CHINA noted the need to reflect the importance of industrial development to poverty alleviation, and suggested deleting the reference to the role of sustainable use of natural resources in reducing costs, increasing competitiveness and employment, and reducing environmental degradation. She suggested replacing this language with text indicating that "managing the natural

resource base in a sustainable and integrated manner is essential for sustainable development." On the right to decide their own industrial development strategies, CANADA proposed that states should have "the responsibility to ensure that activities within their jurisdiction and control do not cause damage to the environment."

In the paragraph on actions to be taken on national policy frameworks, the EU proposed adding the phrase "building on the principle of sustainability and good governance." The G-77/CHINA questioned the existence of such a principle. On education, SWITZERLAND, supported by CANADA and the EU, suggested a reference to promoting "education and awareness-raising to change consumer behavior toward more sustainable lifestyles." On innovative management instruments, CANADA introduced the phrase "voluntary agreements," and EU the term "green public procurement." On corporate environmental and social responsibility, ISRAEL suggested referring to "transparency," and NORWAY to the UN Principles for Responsible Investment and the UN Global Compact. Regarding patterns of production and consumption, the G-77/CHINA emphasized the special needs of developing countries. On marine resources, PALAU suggested adding a reference to "fisheries based on coral reefs." A number of delegates questioned the inclusion of a paragraph on agriculture in the industrial development section and resolved to review it later.

In the section on regional, subregional and international cooperation, some delegates noted the need for further consultation with capitals. On north-south, south-south and triangular technology cooperation, the EU and JAPAN suggested deleting a reference to "sharing of intellectual property and know how," while BOTSWANA called for "equitable sharing."

In the section on means of implementation, the EU proposed numerous modifications to the text, including: emphasizing education and skills development "on a non-discriminatory basis"; deleting a paragraph on innovation and entrepreneurship; adding paragraphs on resource efficiency and integrated product policies; and adding a paragraph on investment and trade policies from the "inter-linkages and cross-cutting issues, including means of implementation" section. MEXICO opposed the deletion of the innovation and entrepreneurship paragraph, and the G-77/CHINA asked the EU to clarify its additional paragraphs.

IN THE CORRIDORS

The erratic start of negotiations on the energy section of the Chair's draft has led to some grumbling from delegates. For most of the day the G-77/China were engaged in continuous internal consultations, which led to canceling the afternoon session of Working Group 1. Detailed amendments are expected to be presented on Friday afternoon, aimed at "balancing out" the Chair's text.

The controversy over the introductory language of the energy section, according to some participants, is a sign of the fissure between the EU and major oil and gas producers. A delegate was heard commenting on EU amendments, which "unrealistically downgraded the clear dominance of fossil fuels in the foreseeable future."

Meanwhile, the first reading of the climate section proceeded in a surprisingly speedy manner, leading some to speculate that a more robust negotiation is on the way. A second reading of the climate text planned for Thursday afternoon had to be moved to Friday as the G-77/China had yet to formulate its specific textual proposals. But as one delegate observed, climate change discussions, like the weather, are always tricky to predict: "most begin in the fog, get worse before they get better, and offer the possibility of a fine closing."