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CSD HIGHLIGHTS MONDAY, 24 APRIL 1995

DRAFTING GROUP A

FINANCIAL RESOURCES AND MECHANISMS: In **paragraph 1** (recommendations and commitments), the EU, the US and Australia proposed a reference to domestic financing for Agenda 21. In **paragraph 5** (CSD monitoring of implementation), the G-77/China proposed deleting the bracketed phrase "by those countries that have accepted it," referring to the target of 0.7% GNP for ODA. The US objected. The G-77/China re-submitted **sub-paragraph 5(e)** on international awareness and increase in real terms for IDA programmes. In **paragraph 11** (increasing financial flows from IFIs), the G-77/China deleted the reference to sustainable development indicators. In **paragraph 13** (GEF), the EU and Japan objected to the reference to increasing GEF resources since the CSD should not impose decisions on an independent body. The G-77/China objected. In **paragraph 16** (strengthening the use of economic instruments), the G-77 preferred "environmentally unfriendly practices" to "subsidies."

In **paragraph 19** (innovative mechanisms), the G-77/China deleted references to joint implementation and debt-for-sustainable development swaps. There was no agreement in **paragraph 20** (user charge on air transport) on whether air transport "may be" (G-77/China) or "is" (EU) a source of environmentally damaging emissions. In **paragraph 21** (tradeable CO₂ permits), the EU deleted the reference to developing countries with economies dependent on fossil fuel exports. The US supported the EU, arguing that the Climate Change Convention recognizes other categories of countries that should not be disregarded. The G-77/China and the US changed "joint implementation" to "activities that are implemented jointly" to reflect the decisions of the first COP of the Climate Change Convention. Discussion on the bracketed **paragraph 23** (COP to the Biodiversity Convention) was deferred pending the outcome of Drafting Group C. In **paragraph 25** (financing of ESTs), the G-77/China deleted the brackets around the reference to EST rights banks. The EU wanted the phrase deleted. In **paragraph 27** (biosafety proposals), the US and the EU retained the brackets around the various proposed studies, arguing that they had not been fully discussed. The G-77/China objected. No agreement was reached on retaining **paragraph 32** (summary of key proposals).

DEMOGRAPHIC DYNAMICS AND SUSTAINABILITY: In **paragraph 2** (links between population, poverty, production and consumption), delegates agreed to add references to health, education and technology. In **paragraph 5** (research on the linkages), delegates agreed to Cairo language on the role of

governments, IGOs and NGOs in researching the linkages between population, poverty, consumption and production, environment, natural resources and human health. No agreement was reached in **paragraph 12** (ICPD implementation), on the term "sustained economic growth in the context of sustainable development."

COMBATING POVERTY: The G-77/China proposed changing the title to Poverty Eradication. The EU disagreed. In **paragraph 2** (poverty eradication and sustainable development), the US and Australia proposed deleting the statement that people in poverty do not threaten the global environment. In **paragraph 3** (poverty reduction), the G-77/China proposed replacing "poverty reduction" with "poverty eradication." In **paragraph 4** (integrated approaches to poverty reduction), the G-77/China replaced "targeting poverty" with "eradicating" poverty, and "poverty-reducing projects" with "projects aimed at eradicating poverty."

In **paragraph 5** (social and cultural rights), the US objected to a G-77/China amendment on the Covenant on Economic, Social and Cultural Rights and the Declaration on the Right to Development. In **paragraph 6** (international environment), India reserved on a New Zealand proposal to emphasize links between poverty reduction and sustainability. The EU and the US objected to a G-77/China amendment calling for private sector accountability. In the chapeau of **paragraph 9** (ECOSOC), the G-77/China proposed that the CSD adopt a holistic focus on poverty and sustainable development and delete **sub-paragraphs 9(a)-(g)**. It was bracketed.

TRADE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT: A G-77/China reference to sustained economic growth in **paragraph 1** (linkages) is bracketed. In **paragraph 3** (trade liberalization), a G-77/China call for "integrated" dispute settlement and a US amendment on "discouraging" unilateral actions outside international trade rules are also bracketed. In **paragraph 5** (positive measures), the G-77/China added a reference to transfer of technology. **Paragraph 6** (trade measures) was bracketed. In **paragraph 7** (regulations and standards), the G-77/China added a reference to economic costs. In **paragraph 8** (product-specific policies), the G-77/China and Malaysia questioned the reference to life-cycle approaches. The discussion continued into the night.

DRAFTING GROUP B

The drafting group met in the afternoon to conduct its second reading of the draft decisions.

SCIENCE: In **paragraph 8** (indigenous knowledge), the US noted that in accordance with Agenda 21, the term indigenous people (rather than peoples) should be used. The US, Poland and the EU deleted **sub-paragraph 10(3)** (financial resources), because it duplicated **paragraph 13** (financial support for scientific

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capacity-building activities). The G-77/China objected. If the paragraph is retained, the EU and the US suggested "adequate funding" instead of "additional funding." The reference to "additional" funding in paragraph 13 was bracketed.

INFORMATION FOR DECISION-MAKING: In **paragraph 4** (international cooperation), the US added reference to the Global Learning and Observations to Benefit the Environment programme (GLOBE). In **paragraph 6 bis** (indicators), the G-77/China added a reference to the need for studies on indicators to be conducted in accordance with national conditions.

INFORMATION PROVIDED BY GOVERNMENTS AND ORGANIZATIONS: The EU proposed **paragraph 1 bis**, noting interest in the presentations on national experiences, and **4 bis**, requesting the Secretariat to prepare guidelines for the 1997 reports.

INTEGRATING ENVIRONMENT AND DEVELOPMENT IN DECISION-MAKING: The G-77/China, the EU and the US preferred the first version of **paragraph 2** (IACSD), which highlights the scope of assistance needed to implement national strategies. There was a lengthy discussion about the Belarus proposal to host a conference on sustainable development in countries with economies in transition in **paragraph 2 bis**. The Chair suggested that the proposal be considered by the High-Level Segment. The US objected to the convening of any more UN conferences on sustainable development. Bulgaria requested that **paragraph 2 bis** reflect that it will be hosting the third Ministerial Conference on the Environment in Sofia in 1995.

DRAFTING GROUP C

The group completed its first reading of the draft decisions on implementation and forests, and began its second reading of the decisions on land management, desertification and biotechnology.

PROGRESS IN THE IMPLEMENTATION OF DECISIONS BY THE SECOND SESSION OF THE CSD: The EU said the draft failed to reflect the entire agenda of the second session. The G-77/China introduced amendments in: **paragraph 1** (follow-up), detailed consideration of follow-up efforts; **paragraph 2** (health-environment concerns), an "internationally" legally-binding instrument on chemical control; and **paragraph 4** (lead in gasoline), preferential access to ESTs. Belarus added new paragraphs on sharing experiences, an international conference to promote sustainable development in countries with economies in transition, and a review of regional initiatives.

COMBATING DEFORESTATION: Canada, the G-77/China and the EU amended **paragraph 21** (progress in forestry) to note the government-sponsored initiatives on forests. In **paragraph 23** (finance), China proposed reference to the transfer of ESTs. The US proposed **paragraph 23 bis** on continued study of certification and labeling schemes. In **paragraph 24** (global and regional initiatives), Australia added reference to the participation of indigenous people's organizations.

ANNEX I: Delegates then discussed the Chair's Draft on the Intergovernmental Panel on Forests.

1. Objective: The EU said **paragraph 1** (the Panel) should refer to the negotiated formulations and objectives for the Panel.

2. Programme of Work for Priority Action: Japan suggested the title: "Issues for Priority Action." The G-77/China proposed a regrouping of the five issues into three categories. Poland added regional issues and national accounting. China inserted "consumption patterns" in category I (national implementation and impacts). The EU reformulated category III: "National implementation and links between forests and other sectors."

3. Proposed Terms of Reference: The EU was concerned that some of the topics are considered elsewhere. In **paragraphs I.1 - I.5** (national implementation), issues included: involvement of major groups; "the fair and equitable sharing of benefits" rather than "adequate compensation" for the commercial use of traditional knowledge; consideration of traditional knowledge; and addressing restoration of forest ecosystems in Central and Eastern Europe.

Many questioned the need for **paragraph II.1** (national sovereignty). The G-77/China supported it. Among the amendments to paragraphs **III.1** (need for other instruments) and **III.2** (work carried out by international organizations), the EU proposed that the Panel examine the need for a legally-binding instrument. The US and others agreed that this should be discussed at the conclusion of the Panel's work. In **paragraph IV.2** (criteria and indicators), the US and Canada agreed that the Panel could study the feasibility of further developing internationally-agreed criteria and indicators. The EU disagreed. In **paragraph V** (trade in forest products), the G-77/China proposed removing boycotts "on the use and trade in forest products." The EU wanted to delete trade distorting practices and major factors affecting the value of forest products. The EU called for preparation of a framework of international understanding on timber certification.

4. Panel Composition, Organization and Conduct of Work: The G-77/China said that the Panel should function in accordance with the CSD rules of procedure. The US and Canada stressed that IGOs and major groups should "participate fully" as observers in the Panel and its subsidiary bodies. There was little support for an organizational session. Many did not support a dual chairmanship.

5. Secretariat and Financial Support to the Panel: The G-77/China and the EU said that the role of FAO as task manager for forests should be highlighted. The EU wanted to delete the reference to the direct hiring of new staff. The US thought that a direct hire on a temporary base would bring neutrality to the unit.

The Global Forest Policy Project said that the Panel should: encourage the participation of major groups; conduct an independent assessment of existing instruments; address the underlying causes of deforestation and forest degradation; avoid discussing a global set of criteria and indicators; and prevent trade-related issues from dominating discussion.

INTEGRATED LAND MANAGEMENT: There was no agreement on a call for additional financial resources and EST transfers in **paragraphs 15** (time-frame) and **sub-paragraph 18(e)** (ESTs and resources). In **paragraph 4** (know-how and EST transfers), the G-77/China objected to an Australian proposal for EST transfers, "where mutually agreed." In **sub-paragraph 18(c)** (land and water conflicts), delegations offered alternative language on land and water conflicts within and between cities.

COMBATING DESERTIFICATION: After some minor changes, delegates reached agreement on this chapter.

BIOTECHNOLOGY: In **paragraph 1** (future reports), the EU called for more emphasis on "ethical" considerations with particular reference to "genetic engineering, when human genetic material is involved." The US and the EU objected to the monitoring and assessment role advocated in **paragraph 2** (contribution of biotechnology). In **paragraph 3** (genetically modified organisms), the EU wanted to remove brackets from language on an internationally-agreed biotechnology regulatory framework. The US disagreed. The US objected to the precautionary principle in paragraphs 1 and 3. The G-77/China objected to an EU proposal to delete the bracketed language on national and regional legislation in **paragraph 5(e)**.

THINGS TO LOOK FOR TODAY

DRAFTING GROUP A: This group is scheduled to meet in Conference Room 1 at 10:00 and 6:00 pm to consider the second revised text on financial resources and mechanisms and other outstanding decisions.

DRAFTING GROUP B: This group will meet at 3:00 pm in Conference Room 1 to consider the second reading of the draft decisions on major groups and technology transfer.

DRAFTING GROUP C: This group will meet at 10:00 am and 3:00 pm in Conference Room 2 to complete its second readings of the draft decisions on forests, mountains, sustainable agriculture and rural development, biodiversity and biotechnology.