

Part II Chairman's Summary High Level Segment

1. The High-Level Segment of CSD-14 was held from 10 to 12 May 2006. The Chairman of the Commission, Aleksi Aleksishvili, Minister of Finance of Georgia, chaired the Segment.
2. In his opening statement, Secretary-General Kofi Annan called on the Commission to act with greater imagination in exploring ways to bring the poor into the modern energy and industrial economy, while moving energy use and economic activity onto a cleaner path and safeguarding the planet and its climate for future generations. He called for a revolution in energy efficiency and for new efforts to scale up investment in renewable energy. He urged countries to fulfill their commitments to climate agreements and to integrate climate change mitigation and adaptation measures into national development strategies.
3. The High Level Segment included a Ministerial dialogue with business leaders, with a focus on the role of the private sector in implementing sustainable development in relation to the CSD 14/15 thematic cluster of issues. The dialogue was led off by a panel of Ministers, industry leaders and high-level representatives of international financial institutions. Dialogue sessions also took place with heads of UN agencies, funds and programmes, including IFIs and with major groups. The Director-General of the World Trade Organization (WTO), made a statement about energy trade and greater energy security for countries without adequate domestic resources.
4. Many Ministers stressed the urgency of concrete actions to increase access to energy by the poor in developing countries, particularly in Africa. The Forum of Energy Ministers of Africa was cited as an excellent example of an initiative with clear objectives, including doubling the use of modern energy by 2015 and including energy in all national development strategies. The urgency of achieving the Agenda 21 and JPOI goals, as well as the MDGs, and other internationally agreed development goals, was emphasized, as was the cost of inaction.
5. Poverty eradication in developing countries was highlighted as a priority for many Ministers, with particular attention to the cross-cutting issues of sustainable development for Africa, LDCs, SIDS and LLDCs. It was generally felt that actions should be based on national priorities and needs and that there is not one solution for all countries.
6. Several Ministers underscored the need for balanced treatment of the issues in this thematic cluster given their importance for sustainable development. Many called for an integrated approach to energy, industrial development, air pollution/atmosphere and climate change, with particular attention to the inter-linkages between these issues, and means of implementation, as an action-oriented basis for deliberations at CSD-15. The need to consider these issues within the context of the three pillars of sustainable development was also noted.
7. A number of participants underlined the need for a long-term, predictable policy framework to help countries move to a low carbon emission society.
8. Improving access to modern energy services, particularly by poor women and children, was stressed as critical to meeting sustainable development goals. Some highlighted the need to

improve capacities and to raise awareness about energy options, especially among women. Others noted a need to involve women at all levels of energy decision-making, management and implementation. Ensuring energy access in rural areas was viewed as requiring different types of action than in urban areas. The adverse impact of higher energy prices on the poor in developing countries, in particular in LDCs and SIDS, was emphasized.

9. A number of delegations highlighted national and international initiatives they were taking to improve access to energy, particularly for the poor, to promote cleaner technologies and to address issues of climate change mitigation and adaptation, air pollution and atmospheric problems and industrial development.

10. There was an emphasis by many on adaptation to and mitigation of climate change for achieving sustainable development goals and the Millennium Development Goals. It was stressed by several delegations that significant climate change impacts were already being experienced in many parts of the world and that building resilience and supporting adaptation measures was an especially urgent need for vulnerable countries, in particular least developed countries (LDCs) and small island developing states (SIDS). Many delegates stressed the importance of the United Nations Framework Convention on Climate Change and the Kyoto Protocol for international action on climate change, calling for further action for the period after 2012 on the basis of the agreement taken in Montreal in 2005. Several Ministers cited the potential of reforestation and avoiding deforestation for mitigating climate change.

11. The harmful impact of air pollution on human health was stressed by several Ministers, who noted that, while the problem affects all countries, a particular concern is the serious health threats to poor women and children in developing countries caused by indoor air pollution resulting from traditional cooking methods. The transport sector was cited as particularly important for reducing air pollution. Regional cooperation was seen as an important avenue for reducing transboundary air pollution.

12. The value of reliable scientific knowledge and data for policy, planning and decision-making was stressed by many delegations as well as the need to maintain and improve global data collection and analysis capabilities related to the atmosphere/climate system and the impact of human activities on it. Hence, support for the work of the IPCC, Global Climate Observing System, the World Climate Research Programme and the planned Global Earth Observation System of Systems is essential.

13. Many delegates stressed the importance of energy efficiency and renewable energy in reducing air pollution and greenhouse gas (GHG) emissions. Energy efficiency was considered essential to enhancing industrial development as well. Many countries have made energy efficiency central to their sustainable development strategies, and some have taken action on efficiency standards, labeling and regulations. Targets, economic incentives and regulations have also been used in some countries to encourage renewable energy sources, including geothermal, solar, wind and biofuels, and some felt that such measures could be further strengthened. Some delegations mentioned that greater attention should also be given to energy conservation.

14. Recent increases in energy prices were seen by some participants as an important stimulus for the adoption of energy efficiency measures and for greater use of renewable and advanced energy technologies, including advanced, cleaner fossil fuel technologies.
15. The need for energy diversification was emphasized by several Ministers. However, since energy from fossil fuels will provide the dominant share of energy supply in most countries for the foreseeable future, the need for cleaner fossil fuel technologies was also stressed. A number of technologies, including carbon capture and storage and carbon sequestration were cited as possible options. A few delegates emphasized hybrid options, using fossil-fuel energy in combination with other energy options. Some pointed to the benefits of natural gas as a cleaner fossil fuels for lowering air pollution and GHG emissions.
16. Many Ministers emphasized however that the cost of advanced technologies remains high and greater investment in renewable energy and advanced fossil fuel technologies must be encouraged, and new product and process technologies developed and introduced. Developed countries were encouraged to take the lead in further developing such technologies and make them accessible to developing countries at affordable prices.
17. Subsidizing fossil fuels was viewed by some as an impediment to the further development and utilization of renewable energy technologies, while others expressed concern about the social consequences of eliminating subsidies.
18. Some delegates felt that CSD could complement the efforts of the UNFCCC by focusing on the inter-linkages among the four themes and promoting energy efficiency and renewable energy technologies, advanced and cleaner energy technologies, including advanced, cleaner fossil fuel technologies, and investments aimed at co-benefits in these areas and pursuing the MDGs.
19. Industrial development in Africa was seen as a priority by many Ministers, who noted that NEPAD arrangements could facilitate South-South trade relationships and exchange of information. Small businesses need greater access to capital, entrepreneurial training and improved capacities for meeting international product standards and marketing their products. Large enterprises through their supply chains could also help to strengthen the technical capacity and cleaner production methods of small and medium sized enterprises (SMEs).
20. It was noted that environmental performance is emerging as a possible competitive factor. Though small- and medium-sized enterprises (SMEs) are engines of growth in developing countries, they face particular challenges in accessing finance for investing in more competitive and cleaner production methods. There is a need for the development of industry networks, benchmarking of performance and dissemination of results, as well as outreach programmes from large to small firms to support adoption of cleaner production technologies.
21. Deficiencies in developing countries' infrastructure were noted as a constraint on the sustainable development of energy and industry. The major barrier constraining infrastructure investment in developing countries was said to be the cost—and not necessarily the availability—of capital. Measures to address this cost barrier are needed.

22. Some participants, noting the long life-span of industrial plant and equipment, emphasized the importance of making appropriate technology choices in a supportive policy environment.
23. Several speakers noted that breaking the pattern of unsustainable energy use and climate change, and decoupling economic growth from GHG emissions, requires urgent action to promote more sustainable consumption and production patterns. The Marrakech Process was seen as taking important steps in this direction. Links between energy production and consumption, transport, urban and land-use planning and air pollution pointed to a need for an integrated approach.
24. Many countries stressed the need for additional resources and more flexible and predictable aid flows to developing countries, in particular least developed countries and small island developing states. Many noted the benefits of the Clean Development Mechanism and called for a substantial fourth replenishment of the Global Environmental Facility (GEF). Many countries expressed concern about the Resource Allocation Framework recently adopted by the GEF Council, stressing the need for equity within and simplification of the allocation system, which should be based on country needs.
25. The importance of innovative financing mechanisms and technology transfer arrangements for increased investments in energy efficiency and renewable energy technologies was stressed by many. The international financial institutions could provide funding for feasibility studies and offer credit guarantees for cleaner technology investments in developing countries that would otherwise not be able to attract commercial financing. From the private sector, investments in modern energy for the poor and in clean energy from both fossil fuel and non-fossil fuel sources are needed. The role of well-functioning financial markets and institutions in making capital available to business was mentioned.
26. The World Bank investment framework for clean energy, which is currently being developed, is to include new financing facilities that will strengthen private-public engagement in clean energy.
27. Many countries considered that the Adaptation Fund under the Kyoto Protocol should be dedicated to the implementation of concrete adaptation projects in the most vulnerable countries.
28. There was general agreement that public-private partnerships have a vital role to play in providing clean energy services. Such partnerships can be effective in leveraging private investment with public funds, undertaking research and development for cleaner, more efficient energy, improving air quality and health and generally facilitating energy for sustainable development and industrial development. Governments, for their part, are responsible for establishing leadership, setting clear and realistic targets, providing a sound legal framework, reducing transaction costs for doing business, offering risk-sharing mechanisms and providing seed money to leverage private capital.

29. The important role of the private sector in helping to mobilize resources, and provide scientific and technical know-how and management skills was mentioned by many Ministers. Innovative and efficient methods of implementation at the micro-level was highlighted, along with the need for corporate social and environmental responsibility, including participation in such voluntary initiatives as the OECD's Guidelines for Business Ethics, the Global Compact and the draft ISO guidelines and respect for ILO core labour standards.

30. All major groups participated in the High Level Segment and expressed their willingness to work together in partnership with Governments to implement sustainable development practices and policies. Many delegations pointed to the vital role that major groups play in developing policy proposals and ensuring successful implementation of the goals and targets related to the thematic cluster. Ministers encouraged and supported major groups' engagement at all levels, and noted that major groups help to ensure that Governments carry out their responsibilities in attending to the social, economic and environmental aspects of sustainable development. Several Governments also highlighted the importance of incorporating the various roles of major groups, especially women and youth as per educators in CSD-15 policy decisions.

31. A number of delegates urged greater use of national sustainable development strategies as a framework for coordination of national development activities. Such efforts could be combined with national plans to achieve the MDGs and other development targets. The regional perspective was also highlighted and the importance of the Regional Implementation Meetings and the work of the UN Regional Commissions was cited.

32. Several government representatives expressed the view that the effectiveness of UN agencies operating in developing countries could be greatly improved by aligning their activities with the MDGs and the JPOI goals and targets and by strengthening inter-agency cooperation in implementation. UN agencies could also assist in strengthening South-South cooperation, for example, with regard to bio-fuel alternatives.

33. Good governance at all levels was seen by many as critical to fruitful partnership activities leading to sustainable development. Key actions include facilitating devolution of power and empowerment of stakeholders and creating and optimizing partnerships both within and across borders. Sound national governance arrangements are needed in order to attract private sector investment.

34. Development cooperation and public-private partnerships are important conduits for making cleaner, more efficient technologies available to developing countries, as illustrated by the many examples offered by Ministers and industry leaders.

Responding to challenges: the way forward

35. Ministers identified a number of challenges to be addressed in the course of the Policy Year with a view to strengthening implementation of Agenda 21, the JPOI and the Mauritius Strategy, in the areas of energy for sustainable development, industrial development, air pollution/atmosphere and climate change, and to facilitate achievement of the MDGs, including:

(a) Mobilizing financial resources from all sources, international, regional, national and local, public and private, as well as official development assistance, while improving investment

frameworks, utilizing market mechanisms and exploring innovative financing, in order to expedite implementation;

(b) Integrating energy for sustainable development, industrial development, air pollution/atmosphere and climate change in national sustainable development strategies, poverty reduction strategies (PRSS) and national development plans, and ensuring a long-term integrated approach to implementation;

(c) Enhancing international and regional cooperation, including both North-South and South-South cooperation, engaging Governments, international organizations and stakeholders, with particular attention to the inter-linkages among the themes and the cross-cutting issues, and addressing economic, social and environmental issues in an integrated and balanced way;

(d) Enhancing the role of partnerships, with the participation of major groups, in mobilizing new and additional resources, and encouraging those that effectively contribute to meeting national needs;

(e) Enhancing means of implementation by building capacities in developing countries, increasing the transfer of appropriate technologies, and strengthening education and training, with financial and technical assistance from developed countries and international organizations;

(f) Addressing the special needs of Africa, the least developed countries, small island developing States, and landlocked developing countries;

(g) Enhancing the roles and status of women, as participants and agents of change, integrating a gender perspective in planning, decision-making, management and implementation, and engaging young people in implementation;

(h) Providing energy for all - access to reliable and affordable energy services for sustainable development, giving particular attention to the rural and urban poor, especially women, who currently have no access to modern energy services for cooking, heating and electricity, in order to meet basic human needs and facilitate achievement of the MDGs;

(i) Promoting energy efficiency, including end use efficiency public awareness campaigns and better technology options, and increasing the share of renewable energy;

(j) Strengthening the development and use and transfer of cleaner energy technologies, including renewable energy and advanced energy technologies, including cleaner fossil fuel technologies, supported by stable, predictable regulatory frameworks;

(k) Promoting, with a sense of urgency, international cooperation on climate change, including both mitigation and adaptation, strengthening international support to vulnerable countries on adaptation measures, in particular for LDCs and SIDS, and reinforcing the functioning of the CDM;

(l) Reducing air pollution, with particular attention to indoor air pollution from traditional biomass fuels and its health impacts on women and children, as well as outdoor air pollution, taking into account its relation to transportation, industry, urban development and energy production and consumption;

(m) Promoting an enabling environment at the international and national levels for industrial development in developing countries, including through integration into global markets and supply chains, trade liberalization, improving market access, strengthening

their capacity to diversify exports, boosting productivity, and meeting international product standards, with particular attention to SMEs;

(n) Promoting good governance at the national and international levels and creating an enabling environment for investment, including a transparent, legal and regulatory framework;

(o) Changing unsustainable patterns of consumption and production, with developed countries taking the lead, including through corporate social and environmental responsibility and the Marrakech Process and its task forces;

(p) Considering effective follow-up of the thematic issues discussed at CSD-14.