

**Note on the First Meeting of the UN
Commission for Sustainable Development**

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Note on the First Meeting of the UN Commission for Sustainable Development

Background

The UN Conference on Environment and Development resulted in a few agreements and a number of institutional changes. The agreements the following:

- a. The **Earth Charter**, a declaration of principles to protect the earth's natural resources;
- b. The **Climate Change Convention**, an inter-governmental agreement on measures to halt and reverse actions that may lead to climate change.
- c. The **Biodiversity Convention**, another inter-governmental agreement to conserve the diversity of genes and species on the planet. The US, under the Bush administration refused to sign the convention at Rio; and this probably delayed its coming into force. However, this decision was reversed by the Clinton Administration in April 1993.
- d. **Agenda 21**, a long document setting out the actions that need to be taken by the national governments, UN and other international organisations, and non-government bodies to conserve the environment. This can be thought of as an international conservation strategy.
- e. A statement on **Forest principles**.

The Earth Charter is a non-binding statement of principles. The two conventions place the primary obligation on northern (i.e. rich) countries, and require southern (i.e. poor) countries only to collect information, prepare strategies, monitor performance and changes, and so forth; even these actions are supposed to be undertaken only when fully funded by the global community. Agenda 21 is a set of actions that bind only the monitoring agency to assist national governments bring about the transition to sustainable development; the agenda does not bind any single country to any clearly specified course of action. Finally, the statement of forest principles started out as the goal of a third convention on forestry, but the idea was dropped after strong opposition from Malaysia, Indonesia, and a number of other forested countries, and with tacit support from Japan.

The UNCED agreements include the establishment of a number of new institutions and the strengthening of some existing ones. The following new institutions are envisaged:

- a. The **Commission for Sustainable Development (CSD)**, created under ECOSOC. The CSD is a high level inter-governmental body, consisting of 53 member states (with adequate provision for geographical balance), each elected to a three year term (in the first election, some members were selected for one and two year terms, as in the senate election in Pakistan. The purpose is that only one third of the members shall retire every year). Pakistan has been elected to the first commission, and obtained a three year term in the lottery. The object of the CSD is to monitor the implementation of Agenda 21; it is the highest level body set up for this purpose. The interest of southern countries, including Pakistan, lies therefore in strengthening this body to enable it to discharge its responsibilities with regard to monitoring the performance of different countries, especially rich countries, properly and effectively.
- b. A **Department of Policy Coordination and Sustainable Development** has been created in the UN secretariat, to function as the secretariat of the CSD, and presumably of the other inter-governmental bodies as well. The secretary general has recently appointed Under-Secretary General Nitin Desai of India (who was formerly the Deputy Secretary General of UNCED under Maurice Strong) as the head of the Department of Policy Coordination and Sustainable Development. There have been a number of twist and turns in this as

well. The original proposal was to retain the UNCED secretariat intact for this purpose. This was opposed by African states, which wanted UNEP to be declared the secretariat. Subsequently, the issue was finessed and delayed, but the proposal was still that of an independent secretariat, either in Geneva (as for UNCED itself), or in Bonn. The decision to base the secretariat (as well as the CSD) in New York, and to fund it from general UN revenues, suggests that the two presumptive host countries (i.e. Switzerland or Germany) were not prepared to provide the necessary financial support for the independent secretariat.

- c. The overall monitoring of the implementation of the two conventions will be done, as in the case of other UN agreements, by their respective **Conference of Parties (COPs)**. The COP is simply the general body of all nation states that have ratified the convention. The COPs will have their first meetings within six months of the ratification of the treaties by at least 50 member states. Ratification of the climate change convention is expected by the summer of 1993, and of the biodiversity convention by the end of 1993. As a result, the two COPs are likely to meet in December 1993 and summer 1994 respectively. Pakistan has not yet ratified either of these two conventions. If it does not do so at the earliest, it will not become a part of the first COP, and therefore will lose its chance to influence the deliberations of the implementing body of the two conventions. Since these bodies are expected to prepare protocols for implementing the conventions, including the provisions pertaining to financing and technology transfer, staying out would mean accepting whatever other countries decide in the matter. It would also mean losing the momentum generated in Pakistan's behalf by the skilful handling of the leadership of the Group of 77 during the UNCED negotiations. It is absolutely essential, therefore, that the conventions be ratified at the earliest available opportunity.

Among the existing institutions that were given a new mandate by UNCED, are UNEP, UNDP, the World Bank, and most prominently the **Global Environmental Facility (GEF)**. GEF was appointed as an interim funding mechanism for the above activities because of an inability of UNCED participants to agree over the nature the funding mechanism (not to mention the amount of funds to be provided); it was decided to leave the final arrangements for funding to the two COPs and the CSD. Originally GEF was created with contributions from several countries (including Pakistan) to provide funds for underfunded projects in areas of global concern (climate change, biodiversity, ozone layer depletion, and transboundary and marine pollution). In this function it is managed jointly by the World Bank, UNDP, and UNEP. However, since its headquarters are in the World Bank, the common perception is that it is an arm of the latter agency, and that therefore it is beholden to the nations that dominate the World Bank's governing council, namely the rich northern countries. At UNCED, southern countries demanded a funding mechanism that is more democratic, more egalitarian, and more transparent. At CSD and the COPs as well, it is expected that northern countries will insist on GEF, while the south would like at best an alternate funding mechanism, and at worst a thoroughly revamped GEF.

In general, our intention ought to be to strengthen institutions in which we are likely to exercise greater influence. At this time, it appears of southern countries than technical or financial bodies, such as the Bretton Woods institutions, or the GEF. However, for the moment we can keep an open mind on the subject, and decide when the structure and orientation of the respective organisations becomes clearer. A strong CSD could ensure that all countries (especially northern ones) fulfil their obligations, both with regard to taking action to halt and reverse global environmental degradation, and to the provision of financial support and technological assistance to poorer countries. Since these are the overall objective of the G77, our first priority would be to express our view within that group, and to strengthen and concretise its position on the issues. One way of strengthening an institution (such as the CSD)

is to ensure that participation at the meetings is at the highest level. Some recommendations on this point and other are as follow:

- a. The Pakistani delegation should play a strong and effective role in the discussions;
- b. Pakistan should support NGO involvement in the CSD actively and openly. Not only would this generate goodwill for Pakistan, it would enable us to assume the leadership on an issue that the mass media will look upon very favourably. More importantly, NGO involvement in the UNCED process was highly favourable for southern countries, since NGOs are generally opposed to the high consumption of northern countries, and support any actions to redistribute funds from the north to the south.
- c. Pakistan should support the involvement of southern individuals and institutions, and in particular Pakistani ones, in all bodies and agencies being established to implement UNCED.
- d. Pakistan should prepare and disseminate as much material as possible on its domestic environmental concerns and programmes to the CSD delegates. In particular, we should advertise the uniqueness of the NCS process in Pakistan, and offer it as a model for other countries.

Item #1: Adoption of Agenda

No discussion is expected on the provisional agenda which was agreed upon to a large extent at the organizational Session of the Commission held in February this year.

The CSD is expected to adopt the recommendations on the organization of work made by one of its Vice-Chairman, the PR of Tunisia, who had been mandated by the Chairman to hold consultations in this regard. The Commission will have two informal Working Groups, meeting simultaneously, the first will deal with cross sectoral issues (item 5, 6 and 7 of the Agenda) and the second will deal with the future work of the Commission (item 3, 4 and 5). The results of the informal discussions held by the Tunisian PR on the organization of work will be incorporated in a decision on the commission. The elements of the decision will include the agreement that each year the CSD will itself decide the number of working groups required and that the high-level meeting should come towards the end of each session.

Recommendation

No written statement will be required by our delegation under this agenda item as the Chairman of the G77 will speak on behalf of the Group.

Item #2: Adoption of Thematic Work Programme

In pursuance 47/191, the issue of the multi-year thematic programme of work for the Commission was discussed by the organizational session of the commission on the basis of proposals presented by the Secretary General. The programme aims at ensuring that a review of the implementation of all programme areas of Agenda 21 is completed by 1996 before the overall review of the document is done by a session of the General Assembly in 1977 as stipulated in Agenda 21.

As background, the Agenda 21 is a very long document consisting of 40 chapters. The CSD is supposed to monitor the implementation of these provisions by the different nations, and by international bodies. However, since it would be very time consuming to cover every thing every year, the G77 proposed that the review process should be based on a clustering of inter-related issues in an integrated approach instead of dealing with separate chapter, and that the agenda be divided into two parts, the **priority (or cross sectoral) areas** to be covered every year; and the sectoral issues to be covered sequentially between now and 1997. These proposals were

accepted during the organizational session, and it was decided that the following cross-sectoral issues should be considered annually:

- a. Critical elements of sustainability (chapters 2-5 of Agenda 21); these include poverty, population growth and consumption and lifestyles.
- b. Financial resources (chapter 33).
- c. Transfer of technology (chapters 16, 34-37).
- d. Decision making structures (chapters 8, 38-40).
- e. Role of major groups (chapters 24-32).

On the basis of the discussion at the organizational session and the Secretary General's earlier proposals, the secretariat has now suggested the following clustering and programme of work upto 1997:

1994	Health, human settlements and fresh water Toxic chemicals and hazardous wastes
1995	Land, decertification, forests and biodiversity
1996	Atmosphere, oceans and all kinds of seas.
1997	Overall review

The secretariat has suggested that the review of cross-sectoral issues (financing, transfer of technology, etc.), should also be done in the context of each sectoral cluster. For example the kind of technology provided or finances made available under programme areas related to fresh water would be considered specifically in 1994. While this would provide a focus for the discussions, it does not preclude any discussion of issues of a general nature relating to cross sectoral themes.

The G77 proposal is consistent with Pakistan's interests, which require that the following five issues be given the highest priority (in the order given below) and be reviewed annually:

- a. Financing of environmental actions by poor countries, including the fulfilment by northern countries of their intention to increase total foreign resource flows to 0.7 per cent of their respective GNPs, and the provision of **new and additional** funding for environmental actions;
- b. Transfer of environmentally safe and sound **technology** from technologically advanced countries to others in accordance with the principles agreed upon at UNCED;
- c. Focusing of the greatest attention on the issue of **poverty** and environment, and on measures to break the vicious circle; and
- d. Ensuring that any discussion of the high and growing **population** of southern countries is **linked** directly to that of the high and growing **consumption** and wasteful lifestyles of northern countries. It may be noted here that this proposal was opposed most vociferously by the US (remember George Bush's well advertised statement, "the American life style is not up for discussion"), and later by Saudi Arab and other oil exporting states. It was pushed through only at the strong insistence of the poor countries in G77, including Pakistan.
- e. **Institutional** development, both at national and global levels.

The additional cross-sectoral item, the role of major groups, also fits into our national plan of action on the NCS, and in particular on our focus on partnership between the government, NGOs, the private sector, and the scientific community, as a means of bringing about environmental conservation. As such, we should support the programme of work in its entirety.

The Africans may want to move the question of desertification to 1994, thus upsetting the clustering. It can be argued that once you reorganize one cluster the entire package can be opened for discussion leading to a fruitless debate. In addition, the fact remains that the question of desertification is already a subject of convention which is expected to be completed by June 1994 thus making it too early to have any discussion thereon at the 1994 CSD.

Recommendation

Since the programme of work reflects the major concerns of the Group of 77, it should be adopted without changes. Our delegation may like to make a short intervention stressing the need for an integrated approach to the review the implementation of Agenda 21 and ask for the adoption of the programme of work without further ado. We should also endorse the Secretary General's proposal that the clustering should not restrict the debate to specific sectoral chapters indicated in the clusters but should also attempt to weave in related programme areas in other sectoral chapters.

Item 3: Future Work of the Commission

Most issues have been covered in the brief for item #2. Two additional points can be raised here. First, the monitoring process of the CSD should be such that can facilitate the involvement of southern countries. These countries, unlike their northern counterparts, do not have a sufficient number of skilled personnel to monitor and analyse large and disparate volumes of information. We should seek to ensure that information generated for monitoring purposes is simple, organised and unified, and thus easily absorbable even by skill constrained countries. They should do the hard work, not us.

The above objectives would be helped by the following actions:

- a. The CSD should publish an annual report on the implementation of Agenda 21.
- b. Information on issues of interest for southern countries should be collected on standardised formats, and disseminated in the form of annual reports with monthly or quarterly supplements.
- c. Efforts should be speeded up to link southern countries onto international electronic networks, which would enable selected institutions in these countries to access the information at the same speed as those in northern countries.
- d. Funds should be provided for the strengthening of the capacity for research and analysis of the new information in southern countries.

Another issue pertains to the involvement of NGOs in the future work of the commission. The presence of NGOs during the UNCED process contributed greatly to the tilt of public opinion and the mass media towards the positions favouring southern countries, and in general imparting transparency to the deliberations, providing a critical perspective on the issues, organising, analysing and disseminating information (which helped the relatively understaffed southern country delegations), and creating a sense of moral outrage against the stonewalling by some northern country delegations. It would be very much in the interest of Pakistan for such participation to be strengthened and institutionalised. Some southern countries may have opposed NGO involvement because of fears of being put on the spot of inaction on environmental concerns. However, since Pakistan is ahead of most southern countries in undertaking environmentally friendly programmes, public discussion of the issues would help improve the image of the country. More importantly, a public stand favouring NGO involvement would create a favourable public opinion environment. Finally, support for NGO involvement in international forums would help develop and strengthen our own NGOs and thus facilitate the rapid implementation of the NCS through the process of partnership that has become its hallmark.

On all these grounds, it would make sense for the government to take a public stand at the CSD meetings to support the involvement of NGOs in the same manner as allowed during the UNCED process.

Recommendation

As at paras 2 and 4 above.

Item #4: National Implementation Reports

This item pertains to the reports by national agencies on the implementation of Agenda 21 in their countries. Before commenting on the report, it may be pointed out that there are two different perceptions on the issue of national reporting. While the northern countries want annual report on the implementation of all the aspects of Agenda 21, the southern countries feel such an exercise would overburden their bureaucracies. They have, therefore, indicated a preference for reporting only on the thematic/sectoral issues under consideration each year at the CSD instead of the entire Agenda 21.

The Secretariat has thus far played it safe. Without taking sides on the issue, it has referred to the legislative obligations of national reporting contained in paragraph 38.38 of Agenda 21 as well as resolution 49/191. In this context, they have also referred to past experiences of the former UNCED Secretariat on national reporting done for the Rio Conference. These reports, adding up to 20,000 pages of information, vary in size as well as focus, which made it difficult for the UNCED Secretariat to extract information and carry out a uniform analysis.

Based on its past experience the Secretariat has made certain good suggestions on reporting which can be endorsed. These include submission of reports in (a) any one of the official languages of the United Nations, (b) a prescribed format with the length of reports not to exceed 50 pages, © presentation of reports as statistical sheets with hard facts and less text, and (d) submission of these reports three months prior to the beginning of the session of the CSD. In a non-paper, submitted by the US government, the submission time is proposed to be six months before the meeting.

More generally, the following three issues can be identified as the basis of discussion:

- a. The need to accommodate the priorities and concerns of individual countries;
- b. the need to produce standardised information; and
- c. the need to disseminate the information sufficiently in advance of the meetings.

The basic dilemma, as far as we are concerned, is the following: Our interest is that other countries' and organisations' reports are simple, standardised, and comprehensive (so that we can assimilate and analyse them easily); and that our own report is selective, both to save us the trouble of collecting information on matters of low priority, and to provide us an opportunity of bringing in other important matters. For instance, we would like our annual report to the CSD to be the same as our annual report on the implementation of the NCS, rather than something that sticks faithfully to the table of contents of Agenda 21. As far as we are concerned, the NCS is the Agenda 21. In this context, it may be noted that in Pakistan, the World Bank has also decided that instead of preparing its own detailed National Environment Action Plan (NEAP), as it does in other countries, to prepare only a plan for the implementation of the NCS. This suggests an acceptance of the national strategy as the basis of reporting and monitoring. If this point is accepted, it will reduce the burden of preparing several reports to satisfy several different communities. A single report on the implementation of the NCS should suffice for every one, and would ease greatly the pressure on overburdened bureaucracies.

However, this demand may conflict with the need for standardisation of the information (which too is in our interest). Clearly, the CSD should ask for some standard information from every one. Our interest is that this information, as the secretariat document suggests, should consist mainly of statistical tables for precisely identified variables; it should not be a checklist of

everything under the sum. In other words, a possible compromise would be that the report could consist of two parts. The first would be a short list of essential (mainly statistical) information of interest to the global community, to be identified by the CSD, and collected from every country. The second part could be a longer report to be prepared in accordance with the national concerns and priorities of individual countries. The longer report could allow us to bring in issue excluded from the statistical section, especially those of obstacles and constraints against the implementation of Agenda 21. We should try to ensure that the standard portion includes all the information that we wish others to report upon. The Group of 77 is presently considering the preparation of a paper with its position on most of the issues on the agenda, including national reporting. Our delegation could make the above suggestions in these deliberations.

In addition to the substance, there is also the issue of support for information gathering activity. In accordance with the general principles agreed upon at UNCED, we should raise the issue of full financing of the obligations of monitoring, programming and reporting placed on southern countries. In other words, if the annual report places a financial or resource burden on southern countries, it ought to be fully funded from international sources.

The international agencies, especially the World Bank, the IMF, and the GEF, should similarly be asked to report very precisely in the areas of interest to the global community. These could be prepared along the lines suggested for national report, or be integrated into their normal annual reports. In addition we may also request for the presentation of these reports by the executive heads of the agencies concerned at the CSD, in order to bring them into the accountability process of the commission. Finally, it is in the interest of southern countries to have few and focused pieces of information rather than many disparate ones.

On the national report for 1992-93, we should make a strong presentation. While the situation could be much better, we may still compare favourably with most southern countries. We should advertise our NCS, the Plan of Action 1993-98, and the passing of the NEQS by the EPC. Another useful document would be the speech made by the Minister for Environment at the Donors' Conference in January 1993. These documents have been printed and bound, and should also be used to highlight the areas that we see as critical for sustainable development in Pakistan, namely institutional development, the regulatory and incentives framework, and mass awareness; it would bring out the financial constraints on the pursuit of sustainable development in Pakistan. Finally, we could use it as a basis to suggest that we have already established a high level implementation committee, coordinated by the Minister of environment, to coordinate the implementation of action on sustainable development; this committee could also oversee the thematic reporting as required under paragraph 6 of the document on the guidelines.

Recommendation

A short statement on this can be made by our delegation in which progress in implementation can be presented, and problems of annual reporting on the entire Agenda 21 can be highlighted. These include resources constraints, the number and size of reports, and the paucity of time for the CSD to discuss these reports. We must also stress that reporting on the two Conventions should be considered by their respective COPs instead of the CSD.

Item #6: Technology Transfer

The issue of transfer of technology is very complex and not susceptible to easy interpretations or implementation. This was apparent in the UNCED meetings where while some convergence was reached on the need for technology transfer, there was very little agreement (or even understanding) how it would be brought about. The contentious issue between the north and south was the conflict between the latter's demand for preferential access to environmentally

safe technology, and the north's (particularly the US's) insistence on the protection of intellectual property rights. In the end while the issue was finessed rather than resolved, it appears that the only manner in which access to technology on other market prices will be provided to southern countries is through some form of a direct financial grant. In other words, the technology issue could well have been converted into a financing issue.

The Secretariat document says, correctly, that technology transfer is a multidimensional issue. Chapter 34 of Agenda 21 clearly points out that any discussion on the transfer of technology does not only deal with individual technologies, but total systems which include know how, procedures, goods and services, and equipment as well as organizational and managerial procedures and human resource development. We must therefore stress on this aspect of the transfer of technology.

Besides the general point, there are three outstanding issue:

- a. In the case of genetic technology (including biotechnology), the rights of local communities and countries over the fruits of research that uses germplasm from their environment was acknowledged. This needs to be operationalised.
- b. In other cases, the need to create mechanisms (including financial mechanisms) to facilitate the flow of environmentally safe technology to southern countries was accepted. This too needs to be operationalised, both in terms of financial support and arrangements for providing information and access to appropriate institutions.
- c. Finally, the issue of market and non-market barriers to flow of technology and knowhow have not been addressed adequately.

In keeping with the nature of the subject, the Secretariat's report on agenda item 6 is rather sketchy. It merely lists the activities undertaken for the transfer of technology and information thereon. The report recommends that the Commission should focus is initial review on the transfer of environmentally sound technologies, cooperation and capacity building, and Chapter 34. Other chapters of Agenda 21, which also deal with issues of the transfer of technology, can be discussed in the context of the review of the sectoral chapters to be taken up from 1994 onwards.

In view of the above, the way to proceed is for southern countries to begin the identification of mechanisms to operationalise the agreement, rather than to keep insisting on general principles. A successful model that can be kept in mind for this purpose is that of the transfer of Green revolution technology to many southern countries in the 1960s and 1970s. Although today a growing number of people question the benefits of Green revolution technology, the mechanisms through which it spread so rapidly and effectively in the country are worthy of detailed study. This transfer was brought about by a number of concerted actions:

- a. Financing of a major effort in the country, including the establishment of several agricultural research institutions of a high quality;
- b. Financing of educational programmes and educational institutions within the country to produce personnel for the research and other institutions;
- c. Support for a massive programme of foreign training to produce an adequate number of experts in the relevant fields;
- d. Linking the research activity directly to a large and fully funded programme of extension and marketing;
- e. Ensuring a continuous monitoring of productivity and output change to determine the effectiveness of the research effort;
- f. Strong political support, often in the form of consistent efforts by a charismatic individual (Malik Khuda Bakhsh Bucha in Pakistan, or M.S. Swaminathan in India).

This suggest that an important component of the programme of technology transfer for support of environmental conservation is that of education and research. Such a programme would require the financing of items analogous to (a) to (e) of paragraph 5 above.

However, in the case of environmental technology, the issue is not only that of education and research. Indeed, key issues that have been raise include the fact that industrialised countries already possess environmentally safe technologies in number of areas, but these are beyond the financial or other reach of southern countries. In order to create access, three kinds of actions (in addition to those identified in pare 5) are required:

- a. Financial support to the countries for the purchase of the knowhow and hardware from the producer;
- b. Dissemination of information on environmentally safe technologies; and
- c. Removal of barriers to free flow of technology.

Dissemination of information require an extension effort through appropriate institutional arrangements (such as centres of information extension) to be established by technology producing countries. The mandate and performance criteria for such institutions could be spelled out in greater detail.

Barriers to information flows are of two types, market or non-market. The former refer to barriers created by the fear of patent violations by owners of IPRs; while the latter pertain to political or strategic considerations that led some countries to deny their knowledge to other during the cold war. A classic example of the latter is the restriction on flow of computer and information technology. Given the end to the cold war, and indeed the beginning of a battle for human survival against the threat of environmental catastrophe, these barriers must be dismantled as quickly as possible. The market barriers are best combated by market remedies, including insurance schemes funded by northern countries to protect the interests of their clients. Non-market barriers are political in nature and can only be dismantled by the respective governments.

In view of the above, the following steps can be proposed to facilitate technology transfer. A Technology Fund should be created by northern countries with the following objectives:

- a. Support for education, research and extension in the area of environmental science at the same scale as that provided for the Green revolution in the 1960s and 1970s.
- b. Subsidy for the purchase of knowhow or hardware in an agreed list of critical areas, to be updated annually. Initially, these might include CFC substitutes, waste recycling, biotechnology, pollution abatement technology, energy generation alternatives (e.g. solar and wind energy technologies), and technological substitutes for environmentally harmful substances (pesticides and insecticides), and others.
- c. Establishment of national clearing houses of information on environmental technology; and
- d. An insurance and monitoring fund for the protection of property rights in selected cases; this could include the protection of property rights granted to local populations as well.

Given the above, the CSD could require participating members to furnish annual reports on the following items:

- a. Total amounts allocated to the technology fund;
- b. Specific performance targets regarding education, research and extension (e.g. number of institutions supported or established, nature of research conducted, success in extension efforts, etc.);
- c. Total subsidy provided for the purchase of environmentally safe technology, and its net impact on the goals of technology transfer;
- d. Financial and substantial performance of national clearing houses;

- e. Insurance functions performed, and their details including a report on the rights of local populations; and
- f. A report on all legal and political barriers or free flow of knowledge, and an assessment of the pace of dismantling of barriers.

In addition, we should demand that the commission should set up high level bodies of experts in each of the above areas, with significant participation of southern individuals and institutions (such as PARC, WAPDA, ENERCON, HEJ Institute of Chemistry, NIBGE, CAMB, and others), to analyse and oversee the process of fulfilment of obligations.

Finally, while the Commission would undoubtedly acquire a central role in discussion on sustainable development issues, it would be more effective if it aimed at a practical and realistic goal. Since the CSD is only another functional commission on ECOSOC, therefore, while we may endorse all efforts at the coordination of activities between the Commission on Science and Technology for Development, the Commission on Transnational Corporations, and the Trade and Development Board of UNCTAD, we should discourage the CSD from trying to assume a controlling and directing role (as indicated in paragraph 80 onwards of the technology document).

Recommendation

The delegation may like to make a statement under this item. In order to make the Commission more effective and beneficial for participants, the highest priority needs to be attached to operationalising technology transfer. Discussions relating to the transfer of technology can be used to reflect the experience of each country. Therefore our statement could also include clear practical examples of the problems faced and the successes achieved in technology in meet the requirements emerging out of the implementation of Agenda 21. It is expected that environmentally conscious industrial interests would also be involved in the work of the CSD directly as well as through NGOs.

Item #7: Financing

The Secretariat document deals, inter alia, with the tenth replenishment of IDA, the restructuring and replenishment of GEF, official and private capital flows and debt relief, though the Rio agreement on financial resources hinges on the concept of new and additional resources. The Secretary General's report on this item clearly indicates a failure in this context. There is a total absence lack of new and additional resources. There is clearly no additionality in the resources being provided by the developed countries. On the contrary the donor countries have slashed their development budgets in some cases. It is evident from the report, that the 0.7 per cent target for ODA is far from being realized. There is a brief mention of the three billion ECU but it contains no time frame or concept of additionality. The document has long section of GEF which predates the Beijing meeting and therefore could be redundant in some areas.

As far as UNDP's Capacity 21 initiative is concerned, the concept is still in its infancy. The programme was launched last year by UNDP, with a resource target of \$100 million of which only \$30 million have been pledged by six donors. Therefore, expectations of substantial additionality of resource flows through the UNDP are not very realistic.

A controversial recommendation of the Secretariat report is in its last two paragraphs, where small expert groups have been proposed to discuss financing of each of cluster of Agenda 21. There are two problems with this proposal. First, the possibility of the expert group being dominated by the IMF and the World Bank cannot be ruled out. Second, it is not clear whether re-opening of this issue would bring any benefits to southern countries.

As background, it may be mentioned that the UNCED Secretariat had estimated that financial resources required for implementing Agenda 21 in southern countries amounted to about US\$ 625 billion. Of this, some 80 per cent or US\$ 500 billion were to come from the nations themselves. This amount of resource transfer would have been possible only if industrial countries were prepared to meet the long-established target (established by the UN in its development strategy for the 1990s) of official development assistance (ODA) of 0.7 per cent of GNP. The review and monitoring of progress towards this target is one of the specific functions mandated by the General Assembly to the CSD.

The demand for resource transfer was in keeping with the agreement at Rio that the success of environment programmes in developing countries will depend upon the generation of sufficient financial and technical resources; that the primary responsibility for the global threats to the environment as well as for ameliorative action rests with industrialized nations; and this responsibility must include the support of actions in southern countries to achieve sustainable development, eradicate poverty and strengthen and develop appropriate social institutions. It was also agreed that the funding for environmental programmes should be a net addition, not a substitute for existing resource flows.

The re-opening of the question of resource need for each cluster has to be seen in the context of the larger interests of southern countries. First, given the division of perception between the north and the south on this issue, and the partially of the Bretton Woods institutions towards the former perspectives, we have to link any agreement to the re-opening of resource figures to the condition that the expert groups should include proportional and adequate representation from southern countries.

A more serious problem is that the subjection of already accepted figures to discussions and further scrutiny on needs assessment by an expert group could lead to erosion and scaling down, without any compensating benefits for southern countries. One view is that we must resist the subjection of information included in an adopted document to further scrutiny, and to insist that although we may not necessarily agree with all the indicative figures, we do not consider it appropriate to review them. The Secretariat is of a different view, that the indicative figures are merely estimates, and presumably that they are not considered realistic by northern observers; if so, a fresh scrutiny may help in producing more legitimate and acceptable estimates, and therefore in stimulating richer countries to make firm commitments of adequate resources for investment. On this issue we should try to assess whether a concession on reopening would be reciprocated by firm assurances by northern countries on additional resources. If this appears likely, the best strategy would be to stonewall any attempt at reopening the figures to further scrutiny. The guidance of other G77 countries could also be sought to determine which one of the two strategies would be more successful.

It is also important to assert that the anxiety of southern countries on the question of financing should be viewed in the proper perspective. It would be unwise and unfair to interpret the concern in purely monetary terms. We must emphasise that we take our obligations seriously, and are fully committed to the implementation of Agenda 21 within Pakistan. For this purpose, we can bring up a mention of our own plans, priorities, and constraints. On the constraints, it needs to be mentioned that foreign resource inflows to Pakistan have started declining since 1991, and there is no sign of new additional financing. On our plans, we should state that our commitment to environmental conservation is reflected in the actions taken thus far, including the implementation of the NCS.

The resource inflow situation is reflected in Table 1, and Graphs 1-5. It can be seen that the overall resource inflow, while increasing during the 1980s, shows a downward trend since 1990-91. The decline is far more dramatic in case of grant inflows. In other words, UNCED seems to

be associated not with an increase but a decrease in resource inflows. This is notwithstanding the fact that attention and investment in environmental conservation has increased dramatically during the same period.

Regarding the NCS, the strategy was approved by the federal cabinet in March 1992, at which time a Cabinet Committee was set up to implement its recommendations. The NCS recommends action in fourteen core programme areas through an investment programme, tentatively estimated at Rs. 150.7 billion over the ten years. The total estimated commitments of foreign economic assistance for 14 environment related projects during 1991-92 & 1992-93 are US\$ 247.867 million, of which US\$ 0.4 million was disbursed during 1992-93, and the remaining US\$ 247.467 million are available in the pipeline on May 30, 1993. In addition to these, 58 aid worthy projects in environmental areas, with a estimated cost of Rs. 39.8 billion (including foreign exchange component of Rs. 15.86 billion), are to be submitted at consortium meeting for pledging. The government of Pakistan has also sponsored two projects to the government of Japan amounting to US\$ 27.8 million. Finally, besides the core environmental programme of Rs. 19.276 billion over five years, a number of environmental related projects have been included in other areas of the eighth plan, bringing the total allocation for projects having beneficial effect on environment to Rs. 114.471 billion. These additional project are listed below.

	Amount Rs. Million
SCARP Projects	25,420.00
Irrigation System Rehabilitation	5,353.00
Command Water Development Programme	1,961.00
On-Farm Water Management Programme	5,199.00
Afforestation Programme	813.00
Livestock Development Programme	248.00
Fisheries Programme	262.00
Sypsum Application Programme	400.00
Water Supply and Sewage Drainage Projects	41,000.00
Transmission and Distribution of Power	1,250.00
Small Hydel Projects	1,939.00
Population Welfare Programme	6,370.00
Rural Support Programme for Community Development	4,980.00
Total:	95,195.00

Recommendation

A major recommendation is that we should ask the CSD to require an annual report on the implementation of the financial aspects of the UNCED obligations. All countries should be required to give report of their annual payments for normal developmental programmes, and for environmental programmes.

Table 1:

Year	(Million \$)				
	Project Aid	Non Project Aid	Loan	Grant	Total
1980-81	675.2	185.8	718.6	253.0	971.6
1981-82	535.7	273.2	681.0	421.0	1102.0
1982-83	744.3	378.2	973.5	327.3	1300.8
1983-84	695.2	326.0	880.4	296.0	1176.4
1984-85	903.1	203.5	876.0	380.6	1256.6

Continued.....

Year	Project Aid	Non Project Aid	Loan	Grant	Total
1985-86	1054.5	338.4	1072.9	455.0	1527.9
1986-87	1005.9	262.0	1017.0	380.0	1398.0
1987-88	1223.8	436.1	1312.0	512.3	1824.3
1988-89	1262.4	1223.9	2034.7	583.8	2618.5
1989-90	1312.0	889.5	1806.9	534.6	2341.5
1990-91	1407.9	636.4	1541.3	614.5	3155.8
1991-92	1766.1	599.8	2012.4	458.5	2470.9
1992-93	1730.4	511.2	2024.3	317.3	2341.6
1993-94	1825	540.0	2238.0	241.0	2479.0

Figure 1: Total

(Log Scale, Millions \$)

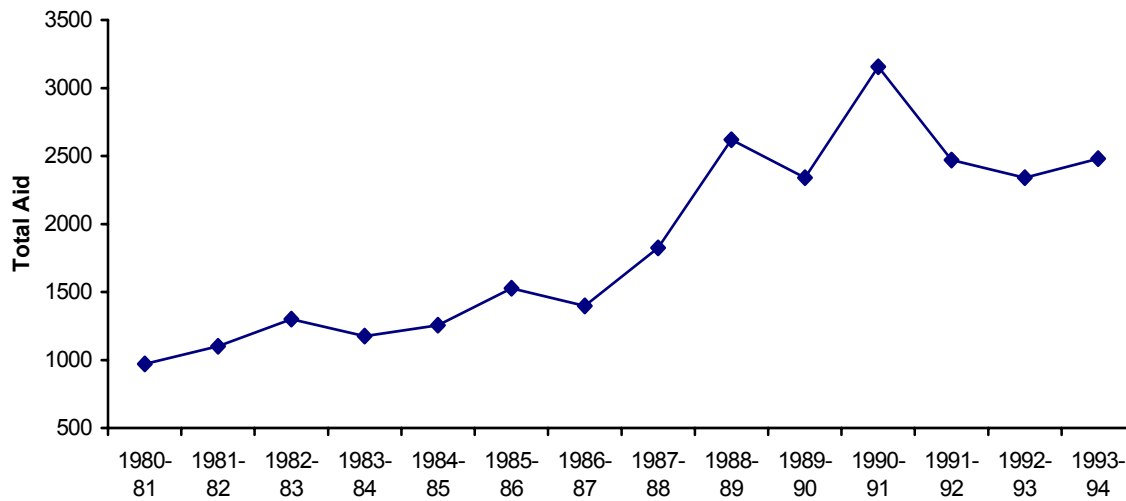


Figure 2: Project Aid

(Log Scale, Millions \$)

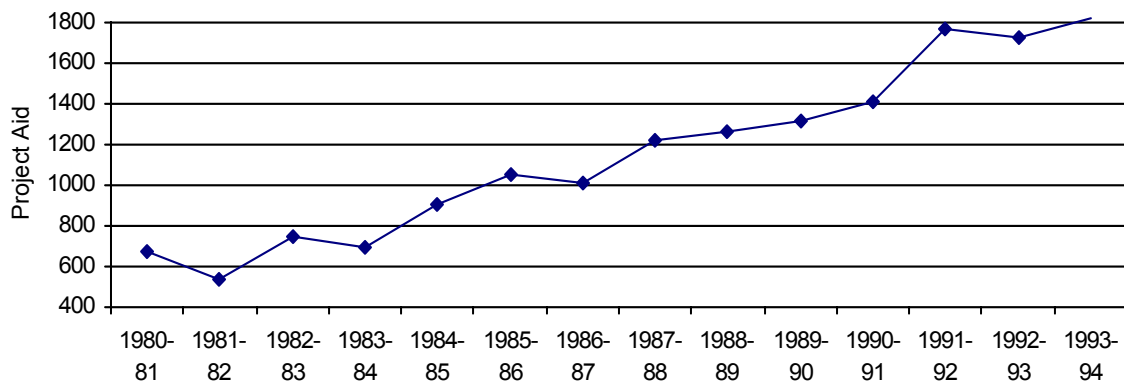


Figure 3: Non Project Aid

(Log Scale, Millions \$)

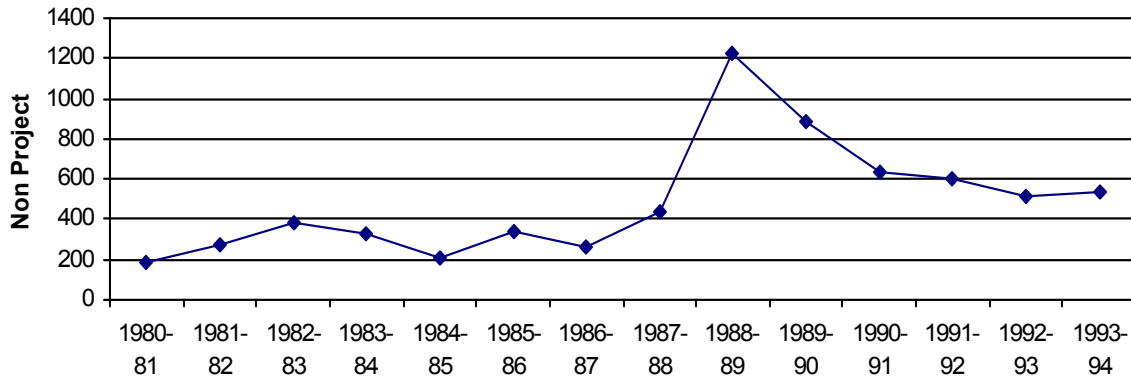


Figure 4: Loans

(Log Scale, Millions \$)

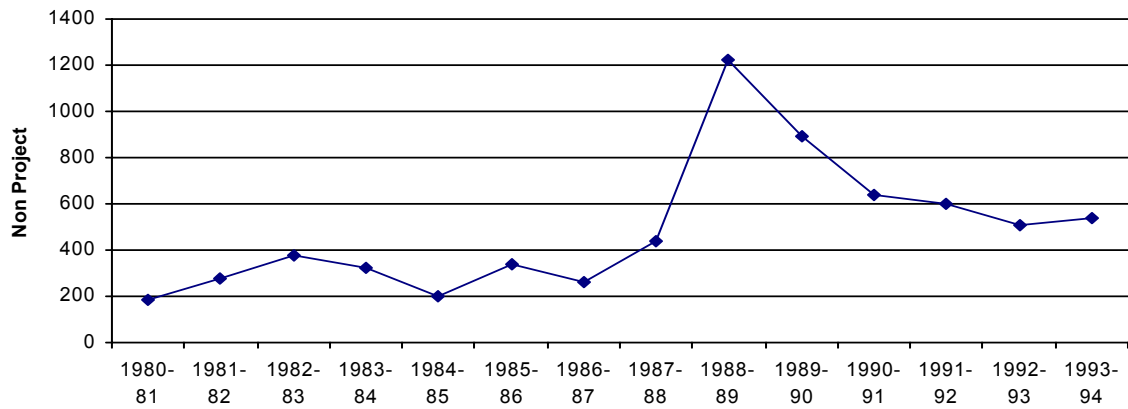
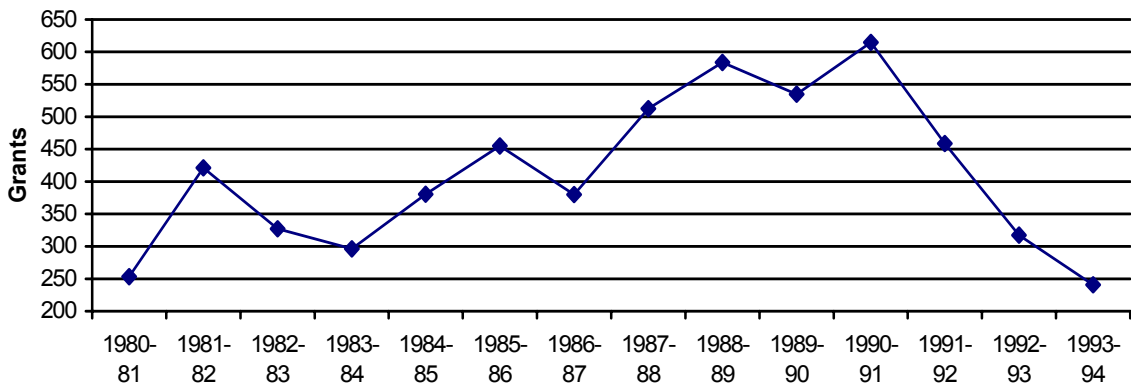


Figure 5: Grants

(Log Scale, Millions \$)



Ministry of Foreign Affairs
Commission on Sustainable Development
First Session. 14-25 June, 1993 in New York.

Brief for Pakistan Delegation on Item 7. "Initial financial commitments, financial flows and arrangements to give effect to the decision of the United Nations Conference on Environment and Development".

In resolution 47/191, the General Assembly requested the Secretary-General to prepare, for the first substantive session of the Commission a report on initial financial commitments, financial flows and arrangements to give effect to the decisions of the conference from all available funding resources and mechanisms.

Documentation. Report of the Secretary-General (E/CN.17/1993/11 and Add.I).

Sources of Information (Paras 1-3 of the above Report).

Regarding the difficulties faced by the Secretariat in compiling information our delegation can make the point that the CSD should format questionnaires regarding the exact position every year regarding development funding and the question of additionality for the IFIs, Regional Development Banks, GEF, Bank of International Settlements, the Paris Club Mechanism (re debt relief), Commission on Transnational Corporations, the large NGOs, the main Commercial Banks (on the request basis in this case), the relevant UN agencies, the national ODA authorities of the donor countries, and particularly to the OECD/DAC. Particularly the CSD Secretariat must establish an institutional data sharing linkage with the DAC Committee on Statistics which monitors all ODA flows and which would be able to provide information regarding additionality if any.

The 10th Replenishment of the International Development Association (IDA) (Paras 4-8).

The Secretariat Section on IDA is over sanguine. Our delegation may point out that IDA 10 does not include the "Earth increment" proposed by Preston in Rio. Secondly, that IDA Depudes process of replenishment goods more balance in having the views of developing countries, and in future the recommendations of the CSD which must be tied up with further replenishments. Thirdly, reportedly under IDA 10 countries of South Asia including Pakistan will get less of these high quality ultra concessionary funds. This needs to be checked up with our Economic Minister and Alternative Director to the World Bank in Washington, and the point should be made that populous countries such as Pakistan should not have the momentum of their sustainable development effort slowed down by new criteria for IDA disbursement.

GEF (Paras 10-39).

The GEF Section has become out dated because of the Beijing meeting May 24-28, 1993, which has created a basis for some forward movement both on replenishment and Governance after the deadlock on Governance and decision making in the last meeting in March 1993 in Rome.

Background

The developing countries throughout the global negotiations opposed the GEF as the single financial mechanism to dominate environmental funding. The development countries insisted that if they had to provide additionality it would be through GEF whose basic trust fund would dispense grant funds. The development countries wished to restrain the activities of GEF to funding the incremental costs for the four existing programme areas and to make it the

permanent financial mechanism/entity for the two Conventions on Climate Change and Biodiversity. The developed countries did not want to expand its scope to include Agenda 21 activities outside the four programme areas and strongly reject proposals to broaden its scope to give more emphasis to development which they say should be funded by existing financial mechanisms and flows.

The developing countries adopted a three prong strategy in which process Pakistan was a leading player on all the fronts.

- i). To ensure that the scope of GEF should/could be widened and that unlike the Bretton Woods Institutions it should not be dominated by the weighed voting system which gave the donor countries total control and marginalized the developing countries. (Please keep at hand Chapter 33.14 of Agenda 21).
- ii). To actively participate within GEF which only had 11 developing country Participants including Pakistan, in order to ensure that if GEF remained the only game in town it was restructured so that its characteristics were to the advantage of the developing countries irrespective of its name. Pakistan called together the first G-77 meeting in Geneva in December 1991 much to the then annoyance of the World Bank/GEF, to formulate the first G-77 position.
- iii). To down play to an interim importance GEF in the context of the financial mechanism for the two Conventions which would not accept GEF's continuance/permanence in their context unless it was restructured in a democratic, universal, transparent and equitable manner.

GEF's pilot phase will end in July 1994 and the next phase must begin before the Conference of Parties meets. The pressure on GEF to restructure continues. The CSD must also be used for this purpose.

Pakistan's position - background

Pakistan which subsequently has been threatened in another context by the donor dominance of the IFIs has always taken the principled position that the developmental aspect must be given more emphasis in this scope of GEF which now reflects donor priorities and that we have to move to a hybrid position between that of the one country one vote UN system and the weighed voting system of the Bretton Woods Institutions. Our Memorandum of February 1992 outlined our position in the interests of the developing countries and proposed closer examination of the Montreal Protocol's Executive Committee decision making process which gave a double veto to the developed and developing countries but without any weightage for votes. The developed countries have rejected duplication of this model pointing out that in the Montreal protocol contributions are by assessment while in the GEF it is by contribution.

Pakistan's objectives in GEF and Environmental Negotiations in general.

Pakistan has been trying to pursue a pragmatic consensus building approach to further our importance in GEF with the objectives of getting the maximum out of GEF and of increasing our international importance at a time when we are subject to various conditionalities and unique pressures. These objectives continue to maintain and will guide our delegation in the CSD not only on the issue of GEF but throughout.

The background for our participation is given in this Ministry's background draft brief for GEF of 7/6/93 which may kindly be kept for reference by the delegation and a copy provided for our Mission in New York.

Pakistan's position on GEF during the Beijing meeting

(a) Informal Consultations with the Chairman

Chairman GEF held informal consultations with the leader of our delegation on Monday, 24th May 1993 afternoon. The Chairman expressed the view that the GEF Secretariat had appreciated the constructive consensus building role played by Pakistan since the inception of GEF and the active part it had played in building together a G-77 position during the negotiations. He hoped that Pakistan would continue to play a leading role in negotiations. He asked as to how Pakistan saw the forthcoming meeting to develop.

In our response the following points were emphasized:

- i) The G-77 was refining a consolidated position on the main issues, particularly on Governance, following a G-77 meeting in New York precedent to this meeting and Pakistan would participate in this internal G-77 process and act within its broad parameters.
- ii) Pakistan has transparently outlined both the range of principles on which Governance should be based in an equitable, transparent, democratic and balanced manner and the operational options which could be followed as early as our Response Memorandum of February 1992 to the GEF and its participants on the issue of Governance.
- iii) We had to move to a hybrid between the one country one vote UN system and the Bretton Woods weighted voting system, which completely marginalized the developing countries. In the Bretton Woods system as the developed countries put up financing for developmental and support activities the leverage of the developing countries had been limited. However, in the GEF the developed countries wanted the developing countries to act upon priorities which were not necessarily their own first priorities but rather that of the developed countries. Furthermore, the developed countries only wanted to fund incremental costs, although in terms of the conventions the scope for financing went beyond this potentially limited "definition". Hence, the leverage of the developing countries was considerably more than in the classic Bretton Woods Institutions. The developing countries had shown tremendous flexibility in foregoing their initial aversion to GEF and in changing the discussion from the nomenclature to its characteristics. It was now for the developed countries to respond to find a way out of the impasse created at the last meeting in Rome. The future fate of GEF beyond its pilot phase and its continued acceptance by the Conference of Parties of the Climate Change and Biodiversity Conventions depended on flexibility and reasonableness now being demonstrated by the developed countries.

The Chairman was in broad agreement and hoped that all sides would act in a manner at this meeting to allow a regaining of momentum.

Regarding the specific discussion papers put forward by the Chairman for this meeting we made the point that we could not agree that the first phase of a hypothetical GEF-II beyond the pilot stage ending in July 1994 and the first meeting of the COPs of the Conventions should only deal with financing reporting/research national activities and not a continuation of the national oriented project approach already in motion in GEF-I. The Chairman responded that this would require directions from the Participants and perhaps the criteria that for activities under the Conventions the funds would be available for those countries which had ratified the Conventions. The Chairman doubted that the absorption capacity existed in the developing countries for a more activist approach, let alone the institution capacity. We pointed out our own case where a country more advanced on the project cycle could not get funding for new projects after the third trench because Africa had to be compensated. In our view the

absorption capacity was there. Afforestation projects on a large scale with continuing support which would straddle both Climate Change by absorbing CO₂ through increasing global sinks while aiding biodiversity was just one case in point.

Turning to a bilateral issue we pointed out that when Pakistan had joined GEF it had been necessary to contribute 4.2 million SDRs over a span of time which was still continuing and the World Bank to encourage developing country participation had promised to help developing countries by considering contributing 50% of the membership fee. However, the World Bank's condition for doing so had turned out to be the requirement that the developing countries per capita income had to be under \$ 1000 and a population of under 25 million. While the mathematical rationale used to justify these criteria by the World Bank was understood, it did, however, appear to be somewhat arbitrary. Pakistan with a per capita income far below \$ 1000 and population of 110 million was unjustifiably excluded. After the GEF Abidjan meeting in honour its commitment to continue paying the due instalments for its initial contribution to GEF but it also expected the GEF to rationalize its criteria in more equitable manner. We would not raise this issue in the meeting as its was purely bilateral. The Chairman assured that the GEF and the World Bank would examine this issue.

(b) Pakistan's Position on Replenishment

- (i) Since Rio the expectation on the transfer of new and additional financial resources and on the transfer of technology had remained unfulfilled. The IDA 10 Replenishment had failed to include an "Earth Increment". The CSD was to meet soon. It was important to send a signal that the GEF would come up with additional funds. Therefore an early replenishment pledge was important.
- ii) Regarding the scope of replenishment we could not agree that developing countries lacked the absorption capacity. At Rio there was a general agreement that the level of funding for GEF would be tripled. Therefore we should aim for a minimum but practical replenishment figure of SDRs 1 billion a year.
- iii) Regarding the time frame we favoured a three year cycle which was the more normal funding cycle for such facilities. Furthermore, once the COPs came into existence in 1995 and outlined more concretely the then identified needs, this three year cycle rather than the GEF Secretariat five year cycle would be more useful.
- iv) Regarding GEF II Phase, if it was confined to studies etc., in preparation for the COPs to function the momentum of GEF would be slowed down. Hence, the existing projects approval and disbursement must continue in the next phase.
- v) Regarding the strategic issues, the issue of transfer of technology should be given a separate item importance rather than being subsumed under investment projects. Since the paper wanted to encourage private sector involvement, the purchase by GEF of technology and its transfer would also be an additional factor stimulating such involvement apart from its central and intrinsic importance.
- vi) To encourage innovative avenues of funding, the possibility of counterpart funding by developing should be explored.

If this aspect comes up in the CSD on this and on other issues concerning GEF our position should remain consistent.

(c) Pakistan's Position on Governance - with the G-77 Position

We go along with the G-77 position formally expressed in the Beijing meeting. Pakistan suggested to the G-77 that we should not rely on the controversial G-77 working paper produced in New York but should propose broad principles for inclusion in the next updated Secretariat paper which would also allow us to buy some time. The G-77 position is given below:

-
- i) This new stage of GEF should incorporate a new conception of the financing of development which reflects the results of UNCED and Agenda 21, keeping the principles of right to development and differentiated responsibilities between industrialized and developing countries in the effort to achieve sustainable development.
 - ii) The Group of 77 believes that the restructuring of the GEF is an important step towards the implementation of the agreements reached in Rio de Janeiro. Nevertheless, we believe that the discussion in the restructuring process must not be limited to defining relatively narrow concepts such as “incremental costs” or “Global Benefits”. On the contrary, it is indispensable that the discussion of these issues does not distract our attention from the fundamental aspects and consequences of the restructuring we are undertaking.
 - iii) Without a doubt, the restructuring of GEF offers an opportunity to set the foundation for new North-South relationship which, while introducing the need to advance and finance sustainable development, does not become isolated from the global problems of development.
 - iv) The absolute to adapt the development processes to environmental problems forces the international community to seek new sources of financing for the promotion of an overall sustainable development, based on democratic international institutions and which keeps alive the need to solve the problems arising from the vicious circle of poverty in the South, the consumption patterns of the North and the deterioration of the environment.
 - v) The GEF must be an essential mechanism for financing the Rio commitments without bypassing the possibility of creating new sources of funds. In fact, the sheer magnitude of the objectives and goals we seek is such that we need to keep searching for new and innovative sources of funds for promoting sustainable development.
 - vi) The G-77 wishes to highlight three elements it considers essential concerning the new structure of GEF and the decision making process.
 - 1) First, the principle of universal participation in a restructured GEF must be reflected in a decision making process which is democratic, transparent and equitable within a Participants Assembly with universal participation which shall be the supreme organ of the GEF and main forum for taking decisions. The Participants Assembly shall be in charge of, inter alia, the admission of new members, allocation of resources, decisions related to replenishment, relationship with the conferences of the parties, setting financing criteria for GEF and decisions on the amount of resources necessary for its work. This body should meet once a year.
 - 2) The Participants Assembly should delegate in an administrative board with equitable geographic representation, those functions which it deems necessary. The decision making process in this administrative board should be efficient without prejudice to the democratic, transparent and equitable character of the restructured GEF.
 - 3) Finally, the Participants Assembly will have to set up a functional Secretariat, politically balanced, geographical representative and answerable to the Assembly and the administrative board, whose functions will be clearly independent of those of the three implementing agencies. Furthermore, the Participants Assembly should elect its Chairman from among its members.
 - 4) Concerning the decision making process, the G-77 wishes to state its preference for adopting decisions by consensus. This system would reflect the spirit of global partnership and shared but differentiated responsibility which prevailed during the UNCED in Rio and would prove our collective will to solve problems together without North-South Divisions.

But, should consensus not be possible, we would have to think of an alternative voting system. The group has adopted a cautious approach to the question of a voting system, but since it is necessary we would like to have a simple procedure that does not divide the Participants into small groups. In this context, and as a general principle, we are only in a position to consider a double majority voting system, applicable both in the Participants Assembly and in the administrative board. This means that to adopt a decision a majority of the members and of the contributions would be necessary. We suggest that the Secretariat should further develop and fine tune the new option it has presented to Participants on the basis of the debate in this meeting.

- 5) The decision making process will only be useful in practical terms insofar as it has an appropriate financial foundation. Therefore, the final decision on this issue should be closely linked to the replenishment process, which seems to be developing in a positive manner.
- (v) Pakistan's position of Governance and scope at the Beijing meeting in elaboration of the G-77 general position.

The position of the developing countries had already been expressed by the Chairman of the Group of 77 on their behalf, therefore, subsuming our position. However, in the detailed discussion that followed we suggested that the Chairman in his updated new discussion paper on this issue for the restructuring of GEF should include the following which would strengthen the position of the developing countries by adding clarity to the discussion:

- A There must be a clearer definition of the scope of GEF-II. It should state inter alia: The mandate/objectives of GEF-II include:
- (i) to act as the/a financial operating entity to fulfil the objective of the climate change convention as laid down in the climate change convention and as expounded/to be expounded by the COP of the CCC;
 - (ii) to act as the/a financial operating entity to fulfil the objective of the biodiversity convention, etc. (as in (i) above);
 - (iii) (iv), (v), (vi)
(Existing four program areas);
 - (vii) will be ready to consider expanding its scope and coverage to relevant program areas of Agenda 21, with global environment benefits as agreed, to support other available multilateral, bilateral and private sources. (This will give it the flexibility asked for in Agenda 21. The developed countries totally oppose the expansion of GEF for funding Agenda 21 activities beyond the present four focal areas).
- B The study must outline the elements of contractual arrangement proposed between COP/GEF. (Will help define respective spheres of responsibilities, competence and interaction).

The formulation used in sub-para (vii) above is a combination of Agenda 21 language and that used in a US non-paper which was selectively distributed during the Beijing meeting but which the European donors dissuaded the US from formally proposing because they thought it too close to the G-77 position. Of course, the major donors are against expanding GEF's scope but our formulation tries to meet their objections by putting forward the possibility in the new definition of GEF's scope but leaving its implementation till a consensus, which will in any case be necessary, is reached.

e NGO Participation.

The developing countries including Pakistan supported more NGO participation. Most developed countries apart from the USA and the Secretariat were hesitant. The usual position on this issue before Rio has now been reversed.

13 CSD - GEF - the main issues.

Basically, in the CSD the main issues specifically regarding GEF are as follows:

- (i) The relationship between GEF and the CSD. Is GEF to be subservient to the CSD?
- (ii) What can be done in the CSD to help restructure GEF in the interests of the developing countries?
- (iii) What message can be given to the donors to increase funding for GEF?
- (iv) What position can we take that will further our interest in GEF and internationally?

22. Recommended Policy.

- (a) It is still too early to decide to support a proposal made by some G-77 countries led by the present Chairman of the CSD to make GEF subservient to the CSD. We can recommend that the GEF should send reports to the CSD which should be able to send broad recommendations to GEF in the light of its over arching perspective on sustainable development through the integration of environmental concerns with development. It can be kept in mind that our final position will depend on both how the CSD and GEF evolve and the fact that while we are on the CSD for three years with its 53 country membership, in GEF there will be a larger membership, we will actively participate throughout if it is made permanent, and basically in terms of the two Conventions GEF must be subservient to the Conference of Parties of the two Conventions as stipulated in their treaty language. Our main purpose is not to be seen as marshalling the third world against the developed countries but to get the most funds from GEF and other sources at the best terms of our sustainable development, and our treaty commitments.
- (b) In the CSD we should maintain the pressure on GEF to restructure in an equitable, transparent, democratic and balanced manner. We should also emphasize that the GEF must keep the developmental aspect in view and should have the flexibility to consider expanding its scope as laid down in Chapter 33.14 of Agenda 21, as outlined in the compromise formula suggested by us in Beijing for a clearer definition of GEF. This is also important because under the Conventions it is not only incremental costs which are to be funded but any action in accord with the commitments undertaken.
- (c) On GEF as on other issues we should act as a consensus builder, while serving the long term interests of the developing countries, to enhance our position generally with both sides and also to help ensure more access to future GEF funds.
- (d) The US paper which was not presented in Beijing has many points which we can support and which will probably win over the other donors in time. For instance, its proposal that the GEF should be a distinct World Bank Body not under the World Bank President and that the GEF should have the freedom to select executing agencies from all sources to implement projects directly including multilateral development banks, UN agencies, bilateral assistance agencies, NGOs and the private sector. This second proposal would free the developing countries from the strait-jacket now imposed by having to depend only on the three current executing agencies of the World Bank, UNDP and UNEP. We need at this meeting to express to the USA our general support for their proposal and to encourage them to go further with it. In the present bilateral situation, issues in common with the USA should be taken advantage off to improve an strengthen these bilateral relations.

14. Official and private capital flows (Paras 14-61).

Recommendations

- i) This section which highlights the inadequacy of the developed countries to live up to their promise in Rio to both provide new and additional finances for the integration of environment and development or to curb their polluting patterns of consumption and production forms the heart of what must be emphasised by us, the G-77, and by the Conference as a whole in its concluding assessment, not only in the discussion under this item but also under item 10 concerning the issues for consideration by the high level segment proposed in the excellent working paper of the Secretariat. From the beginning we should work for a final conclusion in which the inadequacy of the present situation is highlighted and in which there is a recommitment by the developed countries to the goal of a common but differentiated responsibility.
- ii) On debt relief we must highlight the need for debt relief for countries such as ourselves who should not be penalised for continuing to make repayments on schedule. We should propose a swap in which sovereign debt is written off against utilization for sustainable development. If developed countries can ask for reduction in defence spending we can point out also that in our case debt repayment is higher than defence spending.
- iii) We must emphasize that not only have aid declined, with net negative transfer of resources, but also assistance for the environment/sustainable development has not become an additionality but rather a reprogramming and diversion of existing resources, with the priorities not always of our choosing, but also taking us away from the primary task of raising the socio-economic levels of our people and the eradication of poverty without which sustainable development on a global scale will remain an illusion.
- iv) Regarding the setting up of ad hoc groups oriented around Agenda 21 clusters, the apprehensions of our Mission in New York are well founded, but on balance such groups have the advantage of bringing in the recipients to give more balance and if they can lead to niches which will be action oriented, however small, based on a consensus with the donor countries, the advantages will outweigh the disadvantages. The UNCED figures served our negotiating purposes but have not led to any appreciable result in terms of new and additional resources. In GEF we are having to be more pragmatic but we are at least getting some thing.

(Tariq Osman Hyder)
Director General (IE&E)
10/6/1993.

Items # 8-9

The delegation may use its discretion. The points to be defended have been mentioned above.

Item # 10: High Level Segment

The high level segment of the CSD will be held on the 23rd and 24th of June. Since it is intended to be an integral part of the CSD meeting, the Ministers would pick up the threads left over from the work of the officials and tie the final knots. A short statement may therefore be required by our Minister but it can only be prepared on the basis of what has been discussed in the earlier part of the CSD. Though still not clear, there is some talk of the high level meeting being organized like a round table which would not require formal statements but only speaking notes based on the agenda of the CSD. This would be an opportunity for the Ministers to inform the meeting about national plans, and other national concerns.

2. According to information received, the following level of participation is expected at high level of the meetings:

USA	Vice President Al Gore Mr. Tim Wirth Ms. Carol Browner (Head of EPA)
UK	Minister Environment
France	Minister Environment
Germany	Minister Environment
Japan	Parliamentary Vice Minister for Environment
Australia	Permanent Representative Geneva
Sweden	Minister Environment
Denmark	Minister Environment
Malaysia	Minister Environment
Indonesia	Former Minister for Population and Environment
India	Minister Environment
Netherlands	Minister Environment Minister Development Cooperation
Egypt	Mr. Mostafa Tolba, former Minister, former head of UNEF
Mexico	Minister for Social Development

3. This suggests that the desire to give a high profile to the CSD is widely shared in the global community.
4. We should suggest to the G77 to begin drafting a declaration for the high level segment of the meeting. Various agreements and consensuses could be incorporated as the meeting proceeds. The final document could be submitted for discussion and acceptance as soon as it is ready. The draft declaration should include our specific concerns on reporting requirements (particularly on finance and technology transfer), the thematic programme, links with other organisations (especially GATT, UNCTAD, and others), and a report on the implementation to date.