

Biofuels and Carbon Markets for Sustainable Development: ECLAC RIM Focuses Mainly on Renewables

The Latin American and Caribbean Regional Implementation Meeting (RIM) was held on the 19th and 20th January in Santiago, Chile, hosted by the UN Economic Commission for Latin America and the Caribbean (ECLAC). It was the first RIM—in the water cycle (CSD 12 and 13) another process was used. The meeting was attended by 18 countries including the United States of America (also a member of this Commission) and Austria, which holds the Presidency of the European Commission. The RIM was characterized by a lack of seniority of participants and limited high-level participation by representatives from Latin American and Caribbean capitals, without any minister attending the meeting. UN agency representatives included UNDP, UNIDO, PAHO (Pan American Health Organization) and the Regional Director of UNEP. No International Finance Institution, other than the World Bank, was in attendance. The few Major Group representatives that attended the regional meeting were: Women's Environment and Development Organization (WEDO), funded by the Swedish cooperation agency, two academic institutions, and the Brazilian Forum of NGOs and Social Movements for the Environment and Development (FBOMS).

The ECLAC RIM had originally been scheduled for the end of October, but had to be postponed due to conflicts with other meetings. The change of date turned out to be a problem because the meeting was concluding the Outcome Document. The RIM lasted two full days and was perhaps the longest time of any RIM. The structure of the RIM consisted of several thematic sessions, starting with presentations by ECLAC experts or invited speakers, followed by debates among the delegates and other participants in the meeting.

Presentations started with the statement that sustainable development must be based on the convergence between economic growth and environmental sustainability. New markets and funding mechanisms have to be developed for addressing production and consumption patterns. The challenge identified in Rio was a need to bring environmental, economic and social policies together. Delegates discussed that high oil prices could help improve the competitiveness of other energy sources and allow for diversification. The need to apply tax incentives that foster investments considering environmental, economic and social externalities was also examined.

Thematic cluster discussions emphasized the energy issue as a highly important development opportunity for the region. The whole first day was dedicated to the promotion of renewable energy sources and to some extent, to energy efficiency.

ECLAC data showed that between 2002 and 2004 there was a slight reduction of the share of renewable energy sources in the region, and just a few countries have advanced in increasing the share of renewables in their energy balance. The growth of renewables in Brazil and Paraguay, for instance, was mainly due to both the expansion of sugar cane production used for biofuel and the increase of hydroelectric energy. The presentations also showed that there are still 1.6 billion people without proper access to electricity in the world, including many poor communities in Latin America and the Caribbean. The discussions among delegates made clear that the four thematic clusters are not only interlinked, but also connected to the Millennium Development Goals and the overarching issue of poverty eradication. The ECLAC regional

analysis also showed that poverty and inequality have been increasing during recent years.

The Brazilian biofuel experience was clearly identified as a “Champion.” The technology developed was labelled a success, and now offers an opportunity for South-South partnerships and technology transfer. Reference was made to the Latin American Renewable Energy Platform that was presented at the WSSD, and re-affirmed during the regional meeting of Energy and Environment Ministers in Brasilia in 2003. The meeting in Brasilia suggested the share of a 10% renewable energy balance as a commitment for the region. The only reference made to the UNEP regional process and the meeting of environment ministers held in October 2005 in Caracas was in an intervention by FBOMS.

During the RIM, less time was given to other issues such as industrial development, air pollution and climate change. In the presentation analyses showed that small- and medium-sized enterprises also need to benefit from the development process; growth can be built around a strong SME sector. It was also mentioned that the Clean Development Mechanism (CDM) can bring opportunities to clean up pollution in the region, as well as sector policies in transport, urban and environmental development. There was a presentation on some of the outcomes of the Eleventh Conference of the Parties (COP11) on the United Nations Framework Convention on Climate Change (UNFCCC) and the First Meeting of the Parties (MOP1) of the Kyoto Protocol, held in last December in Montreal, and possible regional opportunities due to the CDM and carbon markets.

The ECLAC RIM focused on the thematic clusters in the on-going cycle. Delegates referred to the Johannesburg Plan of Implementation (JPOI), but without focusing on specific paragraphs of the plan. No reference was made to the implementation of Agenda 21, making clear that this comprehensive plan of action for sustainable development must be given more consideration in the future. There was also no discussion about the outcomes and the implementation status of the previous cycle, showing a lack of follow-up mechanisms on the CSD-13 decisions.

Obstacles and constraints were identified, in addition to some interesting case studies and best practices that were introduced during the RIM. However, since national reporting was insufficient in the preparation for the RIM, a form was submitted at the end of the event to the delegations, requesting them to relate the most important national case studies in the four thematic clusters, trying to identify champions, lessons learnt from the successful studies, main obstacles and successful experiences faced by the countries. Some delegates suggested that such a questionnaire could be presented before the meeting so more time could be spent on the questions and answers.

Cross-cutting issues and inter-linkages were addressed in relation to funding mechanisms, technology transfer, capacity building and the problem of current patterns of consumption and production in the region. The gender issue and the importance of education were repeatedly mentioned by the representatives of WEDO. Reference to vulnerable groups, such as women was made on several occasions—also by the WEDO representatives. Initiating and extending partnerships was an important point in the invitation letter prepared by the ECLAC Secretariat for the delegates, but generally did not factor in the discussion.

Some importance was given to sub-regional integration mechanisms, such as the Caribbean and the Mercosul integration processes. These were presented mainly in the context of connecting energy infrastructures, such as the Petroamerica integration projects and the Energetic Cooperation Agreement of Caracas pushed by the oil-rich country Venezuela, both of which have been identified as interesting initiatives to promote South-South cooperation.

It is unclear how Major Groups are being invited to the RIMs, how they should participate and what their role should be. The only attending NGO from the region was FBOMS, as there were no farmers, local government, youth, or indigenous peoples present.

An interesting agenda point on Climate Change suggested the inclusion of civil society on the issue. Ironically, the point was made without making sure that an organization with working experience in that area was in attendance.

There was no space for multi-stakeholder dialogues or other replication function mechanisms provided during the ECLAC RIM, although stakeholders were able to participate fully in the meeting. There were no partnership fairs and learning centres which could be integrated into the agenda of future RIMs, even though they would offer a lot of opportunities within the region.

Stakeholder Forum and the regional partner **FBOMS** organized a side event on the evening of the first day of the RIM. This event presented the outcomes of the New York workshop “CSD: Preparing for the Future” organized by Stakeholder Forum in September 2005, and offered an opportunity for Governments and other stakeholders to share experiences and viewpoints on the new CSD cycle process. The event was attended by delegates from Caribbean countries, as well as Brazil, Venezuela and the United States, and chaired by the government of Brazil.

During the discussion, one delegate stressed that the CSD has yet to effectively monitor the implementation of the JPOI, and expressed concern that plans of action have taken too long to be implemented. Another delegate evaluated the input of Major Groups for the chairs’ text at the CSD, saying that it was a positive sign, and suggested that the consultation tradition between the chair and the Major Groups should be continued during CSD-14. The length of the ECLAC RIM, two days, was considered sufficient to influence the CSD process; however, concerns were raised regarding the need of other intergovernmental discussion and exchange spaces in the preparatory process for the CSD. A delegate from a donor country stated that complementary work has to be done outside the meeting in order to identify “Champions” and to create linkages. He used the Brazilian ethanol experience as a successful story to inspire other governments in the region, as he asked for concrete action. He then added that the early identification of “Champions” was critical to the procurement of donor funds. The lack of participation by the donor community in the RIM was another challenge that has to be faced, and efforts have to be made in the future to better involve the regional financing institutions into the whole CSD process.

The side event discussions made it clear that the multiplicity of thematic clusters makes the CSD national preparation process difficult since, in many countries, there is no single government department dealing with all the subjects. The Brasilia Energy Conference in 2003 the regional conference for Bonn Renewables in 2004 are good examples of how issues should be approached where both energy and Environmental Ministers and Ministries are involved. In a similar way, there was a feeling that the Energy Ministers had to be involved in the discussion of the next CSD two-year cycle, which will focus on the energy thematic cluster. The lack of money to implement actions was also identified as a challenge by one delegate who expressed to be, “tired of asking for money,” The lack of funds creates the problem that after a brilliant identification of obstacles, there are frequently no means available to implement them. The importance and opportunity of growing South-South cooperation was stressed in the field of knowledge, investment and technology transfer, in which the private sector had to be actively involved.

On the subject of funding mechanisms, one delegate explained that resources were too limited in many developing countries to allow for an adequate national reporting process. It was agreed that the deadline for national reporting to be completed, 1 June, was impossible, and that a revised date of September would be more acceptable for future cycles. One delegate stressed the difficulty of setting regional priorities, but made clear that this should be a task of the RIMs. To fulfil this mission, sub-regional processes need to have more consideration .

At the end of the RIM, delegates had a three-hour discussion on the outcome report that had to be sent to the CSD Secretariat by the deadline of 27 January. A summary report of the meeting was produced for discussion, but delegates felt that more work was needed to better reflect the obstacles and challenges faced by the region. Opinions were divided between delegates who thought that the meeting had merely a technical character and no political document should be produced, and others who felt the need to seize the opportunity of the meeting to produce a regional political statement declaration for CSD-14. In the end, due to time constraints in handing in a final report, the agreed solution was to give a mandate to the chair to produce a “Chair’s Summary.” Some delegates, after the meeting, said that a framework for the RIM reports needed to be established.

Outcomes from the side event and observations of the meeting will be incorporated into the full report given by Stakeholder Forum to the CSD Bureau, Governments, UN Agencies and stakeholders by mid-March, and also made available on the web site www.stakeholderforum.org. A Spanish version will be available on the web site www.fboms.org.br
