

No agreement and deep division on 'green economy'

Rio de Janeiro, 13 June (Alex Rafalowicz) - At the 29 May to 2 June informal negotiations in New York on the outcome document for the Rio+20 Conference, substantial differences remain between developed and developing countries over understandings and intentions of the 'green economy' concept.

One of the two themes that the Conference is mandated to elaborate on is 'green economy in the context of sustainable development and poverty eradication'. Member States discussed this issue, contained in Section III of the Co-Chair's text of the draft outcome document, with States giving their perspectives and positions on paragraphs 50-67 in both a plenary on the 30 May and in a 'splinter group' on 31 May – 2 June.

At the conclusion of the session only one paragraph (paragraph 61) had been agreed 'ad ref'. That paragraph reads: *"We underscore the importance of governments taking a leadership role in developing policies and strategies through an inclusive and transparent process. We also take note of the efforts of those countries, including developing countries, that have already initiated processes to prepare national green economy strategies and policies in support of sustainable development"*.

Key differences remain on the definition of 'green economy', its role in sustainable development and its guiding Principles. Furthermore, Member States are yet to reach agreement on how policies for a green economy are to be implemented with no commitments to new finance or technology transfer currently agreed, leading to increasing skepticism among developing countries.

As **India**, speaking on behalf of the **Group of 77 and China (G77)** said to the 'splinter group', "an idea internationally floated should be backed by resources internationally.

The role of the private sector is also causing division.

The **G77** made clear in its approach that it considers the subject of this section (on the green economy) to be the 'policies' related to 'green economy' that represent one of many approaches to achieving sustainable development and the objective of the Conference, poverty eradication. The Group also insisted that 'green

economy policies' should be guided by existing Principles of sustainable development and reflect the need for the provision of the means of implementation by developed countries.

In contrast, the **European Union**, with general support from **Republic of Korea (RoK)** and **Switzerland** continued to insist that 'a green economy' was a stand-alone concept, with implementation requirements for all countries and that private sector finance should be mobilized in this regard.

The **United States** continued to reject any language that suggested green economy policies should be guided by many existing Principles governing sustainable development including, particularly, national sovereignty, the right to development, common but differentiated responsibilities, the obligation not to cause environmental harm, and the language on technology transfer in the Johannesburg Plan of Implementation (JPOI).

The negotiations in plenary were chaired by Ambassador Kim Sook of the Republic of Korea (Chair) and the 'splinter group' was facilitated by Canada.

Definition and role of 'green economy'

The division over the role of the 'green economy' concept was apparent in disagreement over the title of the section. The G77 asked the Chair to retain the title previously proposed by the group which was, 'Framing the context of green economy, challenges and opportunities, as well as other approaches, visions, and models of sustainable development and poverty eradication.' This was rejected by the **US, Switzerland, EU and RoK**.

Similarly, in negotiation on paragraph 50 of the Co-chair's proposed text, which attempts to define 'green economy' and give it context, there were deep differences between developed and developing countries with only a tentative agreement on phrasing of the subject of the section. That phrasing was: 'policies for a green economy.'

Paragraph 50 of the Co-chair's text reads: *"We recognize that there are different approaches, visions, models and tools available to each country, in accordance with its national circumstances and priorities, to achieve our overarching goals to eradicate poverty and achieve the three dimensions of sustainable development in an integrated manner. In this regard, we consider a green economy in the context of sustainable development and poverty eradication as a valuable tool for achieving sustainable development and we acknowledge that it can provide options for policy making but is not a rigid set of rules. We emphasize that it should contribute to eradicating poverty as well as sustained economic growth, enhancing social inclusion, improving human welfare and creating new opportunities for employment and decent work for all, while maintaining the healthy functioning of the Earth's ecosystems."*

The **US** began by insisting that the words 'protect[ion] of natural resources' was added to 'eradicate poverty and achieve the three dimensions of sustainable development in an integrated manner' so as to 'maintain' the environmental component of sustainable development.

The **EU** inserted words in paragraph 50 to make the primary subject of the paragraph, and therefore the section, 'the transition towards a green economy' and insisted, with a textual insertion, that it should be a 'tool' for 'all countries.'

The **G77** introduced language to paragraph 50 to clarify that 'green economy policies' were to be 'one of the tools' and 'should not be a rigid set of rules.' In the splinter group the G77 noted it could support the Chair's text in general but that the "feeling" of the Group was that they were 'not heard' and the new iterations of the text did not include much of the G77 position. However, paragraph 50 was, in general, one of the few it was happy with and so asked for flexibility from other countries.

RoK clarified that it wanted to focus on 'green economy' first and then reflect different approaches and said that it was being very flexible, as the text had been significantly 'weakened' with the 'roadmap idea' and the concept of 'transition' removed.

The **EU** said to the splinter group that the beginning of the section required some kind of message 'our leaders' would be comfortable with, and insisted it was about the 'tone of the sentence'. The EU felt that once the tone was set it would be possible to add language around 'one size not fitting all' and that the first sentence should not be a negative one. It accepted that the new version took poverty eradication more into account and was a "real improvement" but as tone and political message was most important it felt it may not be possible to resolve this "today."

The **G77** said it could live with "goals" but could not have "protect natural resources" as it did not want to prioritise one of the three dimensions of sustainable development. The question was "how can we

contextualise green economy" and it felt the Co-chair's text had a reasonable compromise. To raise "environmental protection" was unbalanced as, for the Group, to achieve sustainable development, reform of international financial institutions was needed; and so if environmental protection was mentioned then that issue should be mentioned too. Equally, it said, if states wanted flexibility, the word 'transition' did not help as it did not suggest green economy was just 'one' of the options.

Similarly in paragraph 51, on the objective and Principles of the 'green economy', the G77 continued to show distinction with the EU approach by insisting on the consistent phrasing of 'green economy policies' rather than 'a green economy', indicating that the green economy was not an objective in itself. It also objected to language that affirmed the "development and implementation" of green economy policies.

Paragraph 51 of the Co-chairs' text reads: *"We affirm that the development and implementation of policies for a green economy in the context of sustainable development and poverty eradication should be guided by and in accordance with all the Rio Principles, Agenda 21 and the JPOI, and contribute towards achieving relevant internationally agreed development goals including the MDGs, recognizing national capabilities and priorities"*.

When the **G77** asked what the difference was between "policies for a green economy" and "green economy policies", the **US** replied that "green economy policies" was more explicit about the subject but if the objective was a green economy then you could have either formulation. It considered it a horizontal issue and one on which it did not have strong views. **RoK** believed that consensus language existed and so if there were not much difference between the formulations it would prefer to maintain the original formulation, as it was "not comfortable" with the G77 amendment. It would also prefer to retain "development and implementation".

The **G77** said it could accept "policies for a green economy" but that if it accepted the use of "a green economy" here that could not be taken as a precedent for use in other paragraphs. **US** and **Norway** thought this seemed acceptable but the **EU** considered it as a package that struck out "development and implementation" but kept "a green economy."

Similarly in discussion on paragraph 53, which covers the responsibilities of governments in the implementation of policies for a green economy, the **G77** proposed removing language that suggested the implementation of green economy policies was a "common undertaking" as it considered them to be one of "various approaches."

Paragraph 53 reads: *"We view the implementation of green economy policies in the context of sustainable development and poverty eradication as a common undertaking, and recognize that each country can choose an appropriate path towards a fair and*

inclusive future in accordance with national sustainable development plans, strategies and priorities, while taking into account that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction."

The **US** said the inclusion of the word "path" was "uncomfortable" as a path has "implicit directionality" and that's not a useful approach for green economy. The US said it understood green economy to be a "concept" and "approach" but not a "path that we get to."

The **EU** explained that all Member States had agreed to the themes of the Conference and therefore it was a "common undertaking", although there was not yet a common understanding, it was hoped that Rio would take that step and the "common undertaking" was a minimum. **Switzerland** affirmed that what was in common was the "approach", which was a tool or a means to achieve sustainable development. **Japan** said there was no contradiction as the implementation of 'green economy' could not be done by some countries but must be done "by all."

The **G77** reminded the splinter group that although 'green economy' was a thematic element of the Conference, it was context specific. It reiterated that there are some countries that want 'green economy' and some who do not and in the middle are those who see value but who need time and resources to move on it. "There are various shades," it said, yet "undertaking" appeared like implementation, that is direct, and that disturbs the whole understanding in paragraph 50. It noted that if some States wanted to act there was nothing stopping them.

The **EU** responded that one of its concerns was that there were "seven references" to the idea that 'green economy' was not "one size fits all", or was "voluntary", or "national" and so the "common undertaking" language was meant as a balance to that so there was not 'fifteen repetitions' of 'each country chooses their own.' The EU acknowledged that maybe there wasn't an undertaking but said, as it was the UN, if there wasn't one, then maybe Member States needed to "take stock and see what we are doing here." The delegate for the EU then suggested that it could be a "common undertaking of interested countries" but said he did not have a mandate to propose the language and that it may not work with his group but that he was trying to show that "we are all in here together."

RoK said Member States had agreed that 'green economy' is a main theme and asked what the use was of discussing all these documents if States did not agree on that. It could not see how a "common undertaking" could be a problem as States agreed it is a useful tool for the achievement of sustainable development.

Switzerland asked if twenty people went to a party would the G77 call that an undertaking. The **G77**

replied that, "we did not agree to go to the party in the first place." It encouraged other Member States to see its original proposal. The G77 was not "impinging on your space" and so "you cannot impinge on ours" it said.

The G77 asked if the EU intended 'green economy' as a tool, then how did it fit. It agreed that it was the theme of the Conference agreed three years ago but said that "we agreed to the title but not to the content." The content was being defined now and so the Group did not feel it was "changing something, but [instead] we are defining something" as it was not already agreed to and did not exist three years ago.

The **EU** said it perceived the theme to mean that for us to achieve sustainable development we would need to make changes to how we run our economies. So Member States needed to transform their national elements and their common elements. It reiterated that there are common things that need to be changed in order to achieve sustainable development and that some were in common and were up to each government to implement.

The **G77** said it could go along with that idea and agreed that elements needed to be changed but wanted to say this in a more direct way, not as it was in the current text. The G77 also highlighted that if Member States wanted to see "real action on sustainable development" then they needed "real action in a real process that is much larger i.e. the United Nations Framework Convention on Climate Change." It felt if there was no way forward there (in the UNFCCC), then Member States could not move environmental sustainability here.

The **EU** said if the lack of movement in the UNFCCC was the "underlying motivation" then "we should bracket the whole text." The **EU** made a similar remark when negotiating paragraph 55, which discusses the implementation of green economy policies, as the **G77** had introduced text to avoid "mandatory language" and proposed leading the paragraph with "encourage each country as appropriate to consider...". In response the **EU** said, the G77 proposal of was "not serious" and if it were accepted it would be the equivalent of saying: "guys, we don't want this stuff."

On the broader issue of 'the environment' and the 'green economy', covered in paragraph 54, G77 felt progress was not possible without the deletion of "services" after "ecosystems" given the divergence of opinion on the issue. The **EU** and **US** agreed on deleting G77 insertions (of the words "with developed countries taking the lead" in relation to the promotion of 'sustainable consumption and production patterns') and retaining "services" after 'ecosystems. **Norway** said it would like to retain "services" as it did not want to confine understandings.

Paragraph 54 reads: "*We acknowledge that green economy in the context of sustainable development and poverty eradication*

should strive to enhance our ability to manage natural resources sustainably and with lower environmental impacts, increase resource use efficiency and reduce waste, promote the conservation, management and sustainable use of biodiversity and ecosystem services, and promote sustainable consumption and production patterns towards the achievement of sustainable development.”

Paragraph 55 reads: *“We urge all countries as appropriate, to implement green economy policies in the context of sustainable development and poverty eradication that have the potential to drive sustainable growth and innovation and the creation of green jobs and decent work, particularly for women and youth and people in vulnerable situations. We note the importance of ensuring that workers are equipped with the necessary skills, including through education and capacity building, and are provided with the necessary social and health protections. In this regard, we encourage business and industry to contribute, as appropriate. We also encourage governments to improve knowledge and statistical capacity on job trends, developments and constraints and integrate relevant data into national statistics.”*

In paragraph 60, which covers consultations relating to green economy policies, the **G77** also insisted that it did not want “a” green economy as it felt it went “hand in hand” with seeing green economy as “a tool rather than the tool.” **RoK** said it needed the article “a” as it came from the resolution (A/RES/64/236, [20 (a)]). The **EU** said it was necessary to be consistent. The **G77** said it was being flexible in not inserting the word “policies.”

Paragraph 60 of the Co-chairs’ text reads: *“We invite all countries to consult in their decision-making processes with relevant major groups and national legislatures, as appropriate, on matters related to a green economy in the context of sustainable development and poverty eradication, and invite the voluntary sharing of experiences and expertise in this regard including in the appropriate institutional framework for sustainable development as described in Section IV below.”*

Principles guiding ‘green economy’ policies

Member States discussed which Principles should be drawn on in the implementation of ‘green economy’ with the **G77** inserting language to reorientate the approach to the “Rio Principles.” These suggestions were bracketed by most developed countries and with particular consistency by the United States.

In negotiations on paragraph 51, which covers the general objective and Principles of green economy, the **US** suggested that reference to being “guided” by “all the Rio Principles” should be amended to: “informed by the Rio Principles.”

In contrast, the **G77** introduced language that green economy policies should be guided by Rio Principles, “in particular the Principle of common but differentiated responsibilities” (CBDR). The **G77** said on the issue of “guided” or “informed” that there are so many things that inform but do not necessarily get applied in life and that it preferred the stronger language.

The **US** objected saying that “in no way” do the elements of the paragraph “guide our domestic policy making.”

RoK said that “CBDR is a sticky issue” and said it thought it was limited to environmental issues. The **G77** responded that it was a Principle of sustainable development. Mexico added that it came from the conference on environment and development.

RoK explained that its understanding was that there are different Principles in different areas and that the words of Principle 7 (of Rio) limited it to environmental issues. Given that sustainable development is composed of three pillars, **RoK** did not believe CBDR could be applied to economic issues nor applied in general.

G77 noted that **RoK** had “forgotten” to read the second part of the Principle which has an economic element and a reference to sustainable development and the Group felt it was quite clear how it links to ‘green economy.’

RoK responded that the second part (of the Principle) was about developed countries while only the first part was about differentiation. **G77** said it did not agree with the interpretation but was happy to have the whole Principle written down.

The **US** intervened to say that the Principles were adopted as a set and so singling out one of them was not necessary as they were agreed to as a package.

Similarly, in negotiations on paragraph 52, which lists in sub-paragraphs all of the things States believed policies for a green economy “should” do, the **US** deleted references to respect for “national sovereignty” as it felt it was a “complex” issue; and to the “right to development” as it felt it had been addressed elsewhere. It also said policies for a green economy should be “be consistent with international trade rules” (paragraph 52 (e)) and deleted language on avoiding creating “trade measures” via green economy policies. It also proposed deletion of reference to inequality “between and within countries” in paragraph 52 (f). **Japan** also supported the **US** bracketing of the “right to development” and the respect of “national sovereignty”. **Australia** and **New Zealand** put reservations on all amendments and expressed a preference for the Co-chair’s text.

Paragraph 52 reads: *“We affirm that green economy policies in the context of sustainable development and poverty eradication should:*

(a) respect each country’s national sovereignty and right to development, as well as its national circumstances, objectives and priorities with regard to the three dimensions of sustainable development; (b) be supported by an enabling environment and well-functioning institutions at all levels with a leading role for governments and with the participation of all relevant stakeholders; (c) promote sustained and inclusive economic growth, foster innovation and provide opportunities, benefits and empowerment for all, while taking into account the needs of

developing countries, particularly those in special situations; (d) strengthen international cooperation, mobilize the efforts of all countries and means of implementation from all sources, and avoid unwarranted conditionalities on ODA and finance; (e) avoid creating trade measures that constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade; (f) contribute to closing technology gaps between developed and developing countries and reduce the technological dependence of developing countries; (g) enhance the welfare of indigenous peoples and their communities and other local communities, recognizing and supporting their identity, culture and interests and avoid endangering their cultural heritage and traditional knowledge; (h) enhance the welfare of women, children, youth, people with disabilities, small and subsistence farmers, fishers and those working in small and medium enterprises, and support the livelihoods and development of people in vulnerable situations; (i) promote pro-poor productive activities in developing countries; (j) acknowledge that countries' priorities, based on national circumstances, include, inter-alia, eradicating poverty, education, health, food, water and energy for the basic well being of people; (k) preserve and promote community practices and non-market approaches that have demonstrated to be useful in eradicating poverty and protecting the environment; (l) address the concern about inequalities between and within countries and the related concentration of income and wealth.

The **G77** inserted language in paragraph 52 (a) to make a direct link between respecting sovereignty and Rio Principle 2 ("States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies...") and added text to affirm "the right of each country to choose its own vision, models and approaches towards sustainable development and policy space." The Group could not accept the US proposed deletion as States were "not here to change the [Rio] Principles, but to recommit to them." The G77 also said that "avoiding trade measures" should be retained, "in accordance with Principle 12 of the Rio Declaration."

It also inserted a paragraph 52 (l) bis referring to "sustainable consumption and production patterns" and "avoiding increasing the financial burden on developing countries." The G77 proposal reads: "promote sustainable consumption and production patterns with developed countries taking the lead, and move the world towards sustainable development, in accordance with Rio Principles, in particular the principle of common but differentiated responsibilities;". The US and the EU wanted this deleted.

On sub-paragraph 52 (e) on "trade measures" the Facilitator (Canada) of the 'green economy' splinter group began discussion by suggesting that the G77 was advocating the deletion of a proposal by a "number of countries" when it proposed bracketing the US proposal for the green economy to "be consistent with international trade rules".

The **EU** said although it was difficult to define 'green economy' even after three years of effort, it would be

very frustrating if Member States were limited to defining it by what it was not. With this section, it was also unnecessary to repeat things that were incoherent or inconsistent with general practice. It understood trade was a major concern of the G77 but did not think a singling out of the relevant Rio Principle was preferable. **Switzerland** also noted it was the only sub-paragraph with a 'negative tone.'

The **G77** said there was concern that if States were to "embark on new ways of doing things", it could lead to new standards, which could, by implication, lead to some restrictions and protectionism. It was therefore necessary to have safeguards, with the language itself coming from Rio Principle 12. As the language was from Principle 12, the Group had great "difficulty understanding" why other Member States did not want to make reference to its source.

(Principle 12 of the Rio Declaration reads: "States should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, to better address the problems of environmental degradation. Trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided. Environmental measures addressing transboundary or global environmental problems should, as far as possible, be based on an international consensus.")

The **US** said the language was very important and that as it came from Principle 12, it was not necessary to make a reference to it. It said that that was the "nuanced compromise" reached given its strong position of "not mentioning Rio Principles." "We cannot accept a specific reference to a specific Principle", the US said.

The **G77** responded that the UNCSO was not an event but a process begun in 1991, and its Principles and the action areas were agreed and they were both very relevant. It said the particular event, 'Rio+20', was meant to add on to what was already agreed. Therefore, the treatment of Principles was just as delicate for the G77 as it was for the US.

The **G77** said it could not remove the words "Principle 12" as it was not a complete reproduction of the text of the principle and it wanted to refer to the whole principle.

The EU felt the Rio text gave a richer picture than that presented in the G77 amendment and so preferred the Co-chair's original drafting.

The Facilitator concluded that the reference to 'principles' was a horizontal issue and so asked for Member States to "park" it and move to the next sub-paragraph, (f) on technology transfer. The **G77** said it was flexible on the placement of this sub-paragraph but the **US** called for it to be bracketed.

Similarly in paragraph 53, which addresses countries' responsibilities and the implementation of policies for a green economy, the **US** felt that differences could be resolved as they were "cross-cutting." It began by proposing the deletion of language in paragraph 53 reflecting Principle 21 of the Stockholm Declaration and the customary law norm that "activities within [states'] jurisdiction...do not cause damage to the environment of other States or of areas beyond the limits of national jurisdictions", as it considered this a "separate issue" and "not connected to the paragraph" which was the context for green economy policies' implementation.

In contrast, the **G77** noted that "half" of Principle 2 of the Rio Declaration on the sovereign right of States to exploit their own natural resources was present, and so suggested the full language should be inserted. It also asked for the reinsertion of its paragraph 25ter as a 54bis to highlight the link between natural resources, efficiency, wastage and sustainable consumption patterns. The Group also added language in paragraph 54, which deals with green economy and the environment, to ensure that developed countries took the "lead" in changing patterns of consumption and production, given the historical over-use of resources by those countries and the right to development of developing countries today. On this point the Chair, Ambassador Kim, said that references to the past 300 years only complicated the negotiations.

In paragraph 54, which addresses "green economy policies" and "the environment" or "natural resources", the **EU** felt that references to sustainable consumption and production patterns (SCP), as per **G77** additions, did not need to be repeated in this paragraph given there was particular section on it in the text and it asked for a count of references to it outside of its section. The **G77** suggested that other issues, such as climate change and biodiversity, were also present outside of their sections. The **EU** agreed and said they should be counted too. The **G77** said a count of the language introduced by Co-chairs compared to that introduced by **G77** should also be made.

G77 said that language on developed countries taking the lead was agreed language and that it was not possible to delink extraction from SPC or natural resource use. The **EU** said it could accept only the full "agreed language" from JPOI, paragraph 14. In contrast, the **US** said paragraph 54 lists general actions and concepts that in the ideal world green economy would achieve but that as they were concepts there was no "agreed texts" and that they should reflect general approaches.

The **G77** said that this was a fundamental issue, if green economy was to mean sustainability then it had to address consumption as "you cannot address resource use without talking about consumption."

Similarly, in the discussion of paragraph 56, which considers the importance of social and environmental

factors to green economy policies, the **G77** said the language was about government decision-making and so about government costs, which was very difficult for many of its Members.

The Group said if the word "cost" was replaced by "factors" that might make it more acceptable as the three elements of the current paragraph were: (1) the integration of social and environmental costs; (2) the importance of this integration to decision-making; (3) the call for this to occur. The **G77** said it could live with (1) and (3) but not (2). It accepted the concept but doubted whether even developed countries could do it, as they were yet to have a uniform approach to tax.

Paragraph 56 of the Co-chairs' text reads: *"We call for the integration of social and environmental costs in all decision making and policy making and acknowledge that it will be important to take into account the effectiveness, opportunities and challenges of green economy in the context of sustainable development and poverty eradication, as well as its environmental, social and economic benefits, costs and risks, using the best available scientific data and analysis. We acknowledge that a mix of regulatory measures, voluntary approaches and market-based mechanisms can promote inclusive green economy and reaffirm that a framework of social policies at all levels is vital to promoting sustainable development."*

The **G77** added that this discussion was very close to SPC, particularly on the production side and given that in the 10-year framework program had not been touched, it felt there was a risk this could re-open that discussion.

Financial resources and support for 'green economy policies'

The provision of financial resources and support to developing countries became a major sticking point throughout the week of negotiations. Developed countries generally tried to avoid references to any clear financial commitments, while developing countries reintroduced text referring to existing commitments and making links to the need for new and increased provision of finance. There were also concerns that developed countries were seeking to shift the burden to 'south-south' forums of cooperation.

The **G77** introduced language in paragraph 52 (d) to the plenary to highlight the need for the provision of "enhanced and new financial resources, capacity building and technology transfer on favourable, concessional and preferential terms to developing countries."

The splinter group was unable to advance the text with **US**, **EU**, and **RoK** expressing a preference for the Co-chairs' text.

The **G77** said that if the 'green economy' idea was to have merit then there would be a pressure point of implementation. It asked if other Member States were aware of the estimates of the cost of a 'green' transition',

citing studies suggesting it would be as much as USD 2 trillion a year. Given this scale, the Group felt it was important the text addressed what was needed internationally. The G77 said an idea that was “internationally floated” should be “backed by resources internationally put.”

When the **EU** suggested that means of implementation were being addressed elsewhere, the G77 noted that the EU was happy to discuss a proposal on capacity-building in this part and so should be consistent with all of the means of implementation (finance, technology transfer and capacity building). Some states, including **Canada**, suggested that this language should be moved to paragraph 66 (on means of implementation), but there was no ultimate agreement to do this.

The **EU** said it would prefer not to have such language in this part of the text and that ‘new financial resources’ was a very difficult issue and so it would have to reserve until section VI (on the means of implementation) was concluded.

RoK said as the problem arose from the words “enhanced and new” perhaps they could be deleted.

The **G77** said for an idea to be made into a new reality but not to be matched with a strong commitment was a dichotomy or duality. It noted that it was not talking about “you giving money” but the text referred to “mobilizing (of resources).”

Japan asked what else could that mean other than ODA. The G77 responded that the sub-paragraph was about what the policies will do – not the governments. It was saying that the policies should do this. “Do you think the investment you asked for in technology section will happen without financing, asked the G77. “We are not saying sources here”, it added and that this “could be anything: development banks, private sector etc.”

In discussion of paragraph 53, which addresses governments’ responsibilities in implementing green economy policies, the **G77** asked how we could change the way countries are living without meeting their concerns and priorities. The G77 referred to reports by UNEP, DESA and Jeffrey Sachs on the rough estimates on the kind of money that is required – for the transformation [USD 2 trillion] but there was still no response to this. We can accept an idea, the G77 said, but what good is an idea if there are no resources to implement it. G77 felt that everyone would say “we prefer a green way of living” but the question is whether you are going to move on that.

In the negotiation of the role of the role of other actors, such as international institutions to ‘green economy’ in paragraph 62, the G77 had concerns that it mandated developing countries to work together. The **US** was not sure why it was controversial to support developing countries to work together. The **G77** responded the text

was not phrased to actually reflect that objective. It felt that the removal of references to support did not help, as it was the main issue of the paragraph – the support to developing countries upon request. The G77 wanted “all countries” to be replaced by “developed countries” “to work together to support developing countries, upon request in the development of strategies and policies to achieve a green economy...”

Paragraph 62 reads: *“We invite all countries and other relevant stakeholders, including the UN Regional Commissions, UN organizations and bodies, other relevant intergovernmental and regional organizations, International Financial Institutions and major groups involved in sustainable development, according to their respective mandates, to work together to support developing countries, upon request, in the development of strategies and policies to achieve a green economy in the context of sustainable development and poverty eradication, in particular in the Least Developed Countries.”*

The **US** was not clear how “working together” and “supporting developing countries” could work together and also felt that removing “all” and replacing it with “developed countries” was not desirable as we did not want to ‘lock out “south-south” cooperation.’ The **RoK** agreed with the US on the importance of “south-south cooperation” and that ‘all countries’ was too strong, suggesting instead “countries in a position to do so.”

The G77 said that if an idea was “as close to a prescription” as possible but the “commitment to support was voluntary” then we “won’t get far.” If there was a “fixed commitment” to do something on one side but only a weak commitment to support it on the other then it could act as putting water on the fire. It said to developed countries that ‘the idea has come from you’ and “you need to bring commitment to give traction to the effort.”

The **RoK** said that “if we are ambitious” in other sections then we will have “justification to strengthen the means of implementation.” We can be “ambitious here” but it felt that according to the G77’s ‘logic’ if someone proposed something then they responsible for it “until the end” whereas RoK believes it should be a “common undertaking” and cooperation should come from every side and “not from one side.”

The **EU** suggested that the two concepts were intertwined, “working together” and “support” and asked how the G77 felt about that. The G77 said “working together to support” is different to “support” and that a direct reference to support was needed.

The **US** thought that progress had been made by putting “work together” and “support” together and asked whether it was necessary to insert “developed” instead of “all” countries. Japan agreed. The **G77** replied that it was fundamental, and that the room “had not listened”.

The **US** said it thought the main issue was “to support”

and not the issue of “developed” countries, because that excluded out south-south cooperation. The G77 noted that “south-south” cooperation was not geared toward green economy and required other textual insertions to reflect agreed language. The **US** felt Parties were “further apart than we thought” and so insisted on reinserting ‘all’ (rather than developed) and that “support” should be considered in tandem with “working together.”

The **G77** concluded that the first section of the draft outcome text had very clear messages in regard to equitable, fair, and inclusive sustainable development, yet in this part some States were saying there is no difference between developed and developing countries, an idea that would not have many takers, as it was like comparing apples and oranges. This, the G77 said represented a “strong attempt” to bring what was agreed in Busan (Conference on Aid-Effectiveness) into the negotiations even though that was an OECD conference, not of all countries. It was not an appropriate basis on which to “re-write” all the rules, it added further.

Technology transfer for the implementation of green economy policies

In tandem with discussion on the provision of financial resources, negotiations on references to ‘technology transfer’ were also fraught with disagreement. Where developed countries were prepared to accept language indicating that the transfer of technology was necessary they would accompany it with qualifying language, which clearly restricted it to market contracts. Developing countries insisted on drawing the links between technology transfer and the successful implementation of green economy policies.

In discussion of paragraph 52 (d) that “policies for a green economy” should strengthen international cooperation, the **EU** felt that the G77’s language on technology transfer was “incomplete” (as it did not reference the whole JPOI paragraph) and so it should be included in its entirety or removed. It also suggested it should be dealt with in a latter section.

The G77 wanted the addition of the following words in paragraph 52 (d) – “including the provision of enhanced and new financial resources, capacity building and technology transfer on favourable, concessional and preferential terms to developing countries”- in relation to strengthening international cooperation.

The **G77** argued that the concept was needed in paragraph 52 in setting the initial context for green economy. **Mexico** agreed that it could not be moved to paragraph 66 (on means of implementation) as that part recognized circumstances whereas this one listed the elements of what green economy policies should involve.

In negotiations on elements later in the text, divisions

over the recognition of the importance of technology transfer reappeared. In discussing paragraph 58, which dealz with communication technologies and their possible impacts and connections to green economy, the **G77** suggested to the plenary that paragraph 58 required reference to technology transfer and capacity building as knowledge of the means of implementation was necessary. It proposed the addition of the words “transfer of technology ” in the first sentence of the paragraph.

Paragraph 58 reads: *“We recognize the power of communications technologies, including connection technologies and innovative applications to promote knowledge exchange and capacity building for a green economy in the context of sustainable development and poverty eradication..”*

In the splinter group the **US** said that as it refers to technology transfer, which is covered by paragraph 65, it was unfortunate that new insertions and subsequent deletions had made it confusing. It felt that the previous objective was to say “technology helps us communicate better and that’s good”; but that now it talks about “technology transfer”.

The **G77** asked the splinter group that if it was “stating the obvious” that “communications technology is good” why it was needed as a paragraph without it leading to sustainable development. Without an action, it preferred to delete the paragraph.

The **US** responded that the action was embedded in the content, as technology is a tool to promote knowledge exchange for green economy and poverty eradication. In looking at how different the world is to 2002, the US saw a fundamental shift in the access to technology and the power of it to lift people out of poverty. It said if States were looking at where we have made progress then technology was one of those areas.

The **G77** insisted that the paragraph still did not speak to the delivery of the objective of the Conference. The **EU** felt that the G77’s amendments change the sense of the paragraph. It said the words “technical cooperation” were more neutral and thus could fit into the paragraph, but had no strong feelings on the topic.

Similarly on paragraph 65, which focuses on the role of technology, the **G77** introduced language to make a clear connection on the need for the provision of the means of implementation to *developing countries* although it said it was open to dealing with technology transfer with finance in paragraph 58, so as not to be repetitive.

Paragraph 65 reads: *“We recognize the critical role of technology as well as the importance of promoting innovation and urge governments, as appropriate, to create enabling frameworks that foster and promote investment in technology and provide incentives for R&D and innovation to support green economy in the context of sustainable development and poverty eradication.”*

Japan insisted that the “role of technology” must be dealt with separately to the “transfer of technology”.

The **G77** said there was a big divide between developed and developing on access to technology. so it needs to be promoted in some countries more than others. It noted that the EU said it had a whole framework in place on technology but knew that was not true in many developing countries and so that was why the text on technology transfer was particularly needed.

When **Switzerland** inserted language on ‘mutually agreed terms’ to technology transfer, the **G77** highlighted that its language came from Agenda 21. The **EU** referred to Agenda 21 and noted it included reference to “mutually agreed”, “IPR” and the needs developing countries and felt they were important elements of previously agreed language that should be included if other parts were included.

Ultimately, **Switzerland** and the **US** reserved on the inclusion of the word ‘transfer’. The EU said such text might be acceptable depending on the balance of the entire paragraph.

The role of the private sector and markets in green economy policies

An underlying tension in the negotiations on ‘green economy’ was the role of the private sector and market forces. Developing countries were concerned that shifts to the private sector would obviate the responsibility of developed country governments to make commitments to the means of implementation, as well as posing a potential threat of trade restrictions.

In the discussion of paragraph 56, which considers the importance of social and environmental factors to green economy policies, the **G77** had proposed the deletion of ‘market based approaches’ to the plenary.

The **US** told the splinter group it found the **G77**’s insertion of “risks” later in the paragraph as unbalanced and a bit unclear. It was also unsure why regulatory measures would be in accordance with international rules and agreements, and said it preferred to retain market-based-mechanisms. In response to a question by the **G77**, the **US** said the thrust of the paragraph was on decisions by national decision-makers who would be looking at tools available to them. In such a case the regulatory measures would derive from some kind of national authority, in the **US** case it was from Congress. Those domestic regulations are based on domestic authorities and so the paragraph’s reference to international rules is difficult to understand.

The **G77** pointed out that there must be regulatory issues that have consonance with international issues. It affirmed that “no one is questioning your right to have domestic regulations” but asked if hey “should they not be in line with international rules”. It suggested the insertion of ‘appropriate’ to address the **US**’s concern.

The **US** repeated that regulatory measures are based on domestic laws – whether or not they are consistent with an international provision.

The **G77** asked what about trade measures or the issue of patents and IPRs. The **US** responded that if the paragraph was attempting to address trade and IPRs then it was in the wrong place as there is another paragraph that deals with trade measures. The **G77** said it had seen regulatory measures in one region affect those elsewhere, such as in the case of civil aviation (referring to the EU levies on airlines in response to climate change). The **US** noted that previously the **G77** had not wanted a prescriptive text.

In a later splinter group session, the **G77** proposed “voluntary; market and non-market based” approaches as possible compromise text. The **US** said it did not know what a “non-market based approach” was.

The role of the private-sector came to a head in the negotiations of paragraphs 63 and 64. Paragraph 63 is directed at the role and responsibilities of business and industry in green economy, and **Norway, Australia and Switzerland** asked for inclusion of “corporate social responsibility” (CSR) and the ‘UN Global Compact Principles’ into the text. The **EU** introduced significant amounts of new language to the paragraph to reorientate it toward addressing requirements on business and industry of “all sizes” to “take green economy policies”. The EU wanted the following words added to paragraph 63 – “...we encourage business and industry to act in accordance with corporate and social responsibility principles as well as other principles, including on human rights, as set forth by the UN Global Compact.”

Paragraph 63 of the Co-chairs’ text reads: *“We invite business and industry to consult with relevant stakeholders in a transparent manner to take a green economy approach to achieving results including greening their supply chains in achieving the goals of their sustainability strategies.”*

Paragraph 64 of the Co-chairs’ reads: *“We encourage existing and new partnerships, in particular public-private partnerships, to mobilize significant financing from the private sector, complementing public financing. In this regard, governments should support initiatives for promoting the contribution of the private sector.”*

The **G77** wanted a better understanding of CSR and the Global Compact and so suggested “bearing in mind”. It also felt that CSR was addressed in paragraph 40 and 41 and that it was not reasonable to ask “microenterprises” to take on such responsibilities.

The **EU** understood CSR to be all of the principles in the Global Compact and that it had broad participation and support, with over 7000 businesses worldwide including over 150 in India.

The **G77** replied there was a different form of CSR in India focused on social development and that 7000 businesses out of millions worldwide was not significant and that “only 150 businesses” in India would be a better way of putting it.

Kazakhstan insisted that CSR was a “concept”, a “wishy-washy term” that had not been agreed anywhere and not a principle. The Global Compact had some but not all CSR principles and that this should be reflected in the text.

Paragraph 64, which addresses the role of “partnerships” in mobilizing finance, also led to heated exchanges between Parties. The **US** did not want “particular” recognition of public-private partnerships as it felt that no type of partnership was “more important than another.” It also removed the reference to “significant financing” as it did not know what significant meant,

The **G77** was particularly concerned by paragraph 64 which gave preponderance to the private sector and shifted responsibility away from governments. The group also rejected Switzerland’s language on a “transition” to a green economy and felt that language on the need for private sector finance to complement public sector finance needed to be included.

RoK argued that it was not always public finance that came first or was more substantial and so to say complement was not always true.

The **G77** responded that where the business motive, is there private finance will be there but where it was about common good with a social outcome, it would be

governments that put up more. It asked for an example of a PPP delivering primary education in poor countries or private sector involvement in poverty education.

The **EU** said it was looking for other ways to support sustainable development in the context poverty eradication; it likened this approach to “a menu of things”. It agreed with the **G77** about public involvement, affirmed that there would always be areas that were the responsibility of public authorities as there was no money to be made but argued there was another area where you have to put seed funding and then you can leverage private funding and sources. However, for this to occur, conditions were required, such as not taking advantage of indigenous communities. They were talking about areas where public resources were not always needed.

The **G77** thought the focus of the paragraph was on “finance for a green economy” and so thought it was equally important to include public and private. In contrast the **EU** said the focus of the paragraph was on “private” but that did not rule out the other.

The **G77** noted this was only one reference to public financing in the whole section and felt it was not too many. **Norway** argued that paragraph 62 invited all countries to “support”, which **G77** did not see as being the same.