

**ASIA-PACIFIC FORUM FOR ENVIRONMENT AND DEVELOPMENT
SECOND SUBSTANTIVE MEETING**
May 4 - 5, 2002
Jakarta, Indonesia

Draft Summary of the Expert Meetings

1. To provide APFED deliberations with experts' views on the first draft of the APFED Message to the World Summit on Sustainable Development (WSSD), three Expert Meetings were organized by the Secretariat of Asia-Pacific Forum for Environment and Development (APFED) in March and April 2002. The meetings dealt with freshwater, renewable energy, trade and finance, based on the four issues of APFED discussions.
2. The Expert Meeting on freshwater resources was held on March 29, 2002 at the United Nations University in Tokyo, Japan. The Expert Meeting on trade and finance was held on April 1, 2002, also at the United Nations University, Tokyo. Considering the close linkages between trade and financing, the joint one-day meeting addressed both issues in two sessions. The Expert Meeting on renewable energy was held on April 2, 2002 at India Habitat Centre, New Delhi, India in cooperation with Tata Energy Research Institute (TERI) on the occasion of International Conference on Power from Renewables. Since no specific guidance from APFED members had reached the Secretariat, it was decided that urbanization would not be discussed separately but rather discussed within the context of these four issues.
3. All meetings proceeded in a same structure. The meetings began with an introduction of APFED and the process of drafting the APFED Message to WSSD by the Secretariat. Then, the meetings discussed the first draft of the APFED Message. Comments from APFED members on the first draft were also distributed at the meetings and were discussed by the participants. The meetings also attempted to identify some concrete actions that could be taken by APFED itself in the process of implementing sustainable development, as was suggested by an APFED member.

Freshwater resources

4. The Expert Meeting of freshwater resources was chaired by Dr. Apichart Anukularmphai, Chairperson of GWP South East Asia-TAC. Fifteen experts from the region attended the meeting. The meeting began with an introduction of APFED by Mr. Yoshihiro Natori, IGES, which was followed by the introduction of the first draft of APFED Message by Ms. Yatsuka Kataoka, IGES.
5. Regarding the recommendation on national water policy formulation, the participants emphasized that water policy should properly reflect community needs. In this regard, the necessity of local policy and of community involvement in overall policy formulation was identified as an additional item to be incorporated in the recommendation. Technical support for communities, equitable allocation of water and water rights, water supply and sanitation, coordination of water policies within and among countries were also pointed out

as important aspects to be considered in the formulation of water policies. Several participants emphasized that financial support to developing countries should be encouraged. However, such support should not be “donor driven”, which may not properly reflect the local needs and knowledge.

6. Regarding the recommendation on cooperative mechanisms in shared water, participants emphasized that conflict resolution over inter-state water resources should be incorporated into the Message. It was pointed out that information sharing is an important tool for successful water sharing.
7. Participants pointed out that the following items should be mentioned in the Message: flooding; promotion of effective use of water; water and trading of forest products; monitoring and assessment. Aspects of water related to peace, including the prevention of conflicts and recovery from conflicts, were mentioned as a new aspect of water issues. One participant mentioned that poverty should be more highlighted in the Message.
8. There was a suggestion regarding the establishment of a new international organization on freshwater resources. However, several participants indicated that strengthening existing bodies and enhancing their networking should be considered as a first step, instead of establishing new institutions. Some participants recommended that the Message make a reference to the Third World Water Forum to be held in 2003 in Japan.
9. It was pointed out that discussions on freshwater resources issues had implications for other parts of the Message such as the recommendations in the finance part.
10. In addition to freshwater resources, participants also discussed other parts of the Message. With regard to the overall structure, it was recommended that the Message should have further elaborated cross-sectoral paragraphs. Regarding the part of trade, some participants suggested that recommendations and background notes should not focus exclusively on the positive aspects of globalization and trade liberalization for sustainable development in developing countries.
11. Participants recognized the necessity of providing more elaborated background information to reflect the diversity of issues surrounding freshwater resources. In this regard, it was recommended that a set of additional documents that support the recommendations to provide more background information should also be prepared.

Trade and Financing: Session on Financing for Sustainable development

12. The session on financing for sustainable development was chaired by Dr. Ryokichi Hirono, Professor Emeritus, Seikei University. Twenty experts from the region attended the meeting. The meeting began with the introduction of APFED by Professor Akio Morishima, Chair of the Board of Directors, IGES, which was followed by the introduction of the first draft of APFED Message by Dr. Gueye Kamal, IGES.
13. In the session on financing, discussions covered the following issues: mobilizing public funding including ODA, increasing the contribution of private finance to sustainable development, and enabling a full effect of new and existing funding mechanisms such as the Clean Development Mechanism. While the meeting recognized the importance of meeting the target for ODA set at the Rio Summit, the need to concentrate on how to make ODA

more effective was strongly emphasized.

14. The meeting emphasized the importance of ODA in the areas of water and renewable energy, and the need for establishing incubation funds. Also, it was mentioned that ODA and FDI should be considered as complementary. The meeting noted that a greater focus should be given to the issue of international debt, especially on issues of rescheduling or possible cancellation of such debt.
15. It was pointed out that domestic funds should be the largest source of financing for sustainable development. In that respect, participants considered that the role of government was important in the coordination and allocation of funds, as well as in identifying other source of funds. Participants emphasized that external trade is a major instrument for developing countries to mobilize additional resources from their own efforts. The use of micro-financing for income generation and the development of renewable energy was also mentioned as important.
16. Participants raised concerns about the need for greater stability of international financial regimes, and also the development of an international code of conduct on sustainable development.
17. FDI by small and medium sized enterprises (SMEs) was identified as having a strong potential for contributing to sustainable development, especially in the areas of freshwater and renewable energy. The need for concrete measures for subsidizing the poor was emphasized. The meeting noted that efforts should be made to promote FDI among developing countries. Participants indicated that environmental impact assessment should be systematically undertaken in projects funded by export credit agencies. It was suggested that the role of export credit should be re-examined in the light of the decision of the WTO Doha conference to reduce export subsidies.
18. The recommendation on the establishment of a global tax was said to be important. In that respect, the case of a tax on bank and financial transactions, which has been implemented in Latin America, was mentioned as an example.

Trade and Financing: Session on Trade and Sustainable Development

19. The session on Trade and Sustainable Development was chaired by Dr. Nirmal Andrews, Regional Director and Representative, UNEP/ROAP. The session began with the introduction of the first draft of APFED Message by Dr. Kenichi Imai, IGES.
20. Regarding the recommendation on capacity building in trade-environment policy analysis, it was suggested that capacity-building initiatives by the World Bank and the WTO should be included along with the joint initiative by UNEP and UNCTAD. In addition to these existing mechanisms, a new initiative of partnership among stakeholders was proposed.
21. It was pointed out that the recommendation to ensure participation of SMEs in global trade should be more specific. Several participants suggested that the recommendation on promoting environmentally sound technologies (ESTs) could be mentioned somewhere else in the Message, in addition to the part of trade, since ESTs are relevant not only to trade issues but also to other issues. Other experts suggested that ESTs could be considered in APFED future deliberations for preparation of the APFED final report.

22. Participants mentioned the importance of demand-side aspects as well as supply-side aspects in trade-related issues.
23. One participant brought up the issue of common knowledge. It was pointed out that common knowledge in the countries of Asia and the Pacific should be given ownership and be protected as a common property. The issue of using environmental protection to disguise protectionism was also raised at the session. It was mentioned that an increase in cost due to higher standards makes it difficult for developing countries to expand exports.
24. The session emphasized the importance of ensuring trade on a level playing field for developing countries, by removing trade protectionism, in addition to reducing tariff on primary products. It was pointed out that while trade has expanded rapidly in the 1990s, there have been ups and downs. Trade did not expand at all in the year 2001 because of an increase in protectionism.
25. It was suggested that in the background note of the Message, there should be mention of the fact that trade issues are now different from the situation before September 11, 2001. The session agreed that the leaders should be notified that the participants are aware of the significant changes in the world after the event of September 11, and that they have strong concerns with security dimensions, as an important underlying factor in the pursuit of sustainable development.

Renewable energy

26. The expert meeting on Renewable Energy was chaired by Dr. R. K. Pachauri, Director-General, Tata Energy Research Institute. Thirteen experts attended the meeting. The meeting began with an introduction of APFED by Mr. Yasuhiro Natori, IGES, which was followed by an introduction of the first draft of APFED Message by Ms. Maki Sato, IGES.
27. The experts emphasized the importance of the involvement of members of the community from the early stage of introduction of renewable energy products and services, so that they are able to build their own capacity in the use and maintenance of the facilities. All of the participants agreed that the knowledge of renewable energy and implementation skills are different and that there is a need for capacity building from both aspects. It was also agreed that building partnership among developed and developing countries through market development of renewable energy products and services is important.
28. With a view of optimizing pertinent renewable energy products and services, participants shared a common understanding on the importance of reflecting the specific conditions of each area and the differences in the access to renewable energy sources. The meeting emphasized the need to redirect fossil fuel-related subsidies towards the development of renewable energy technology. However, it was pointed out that the development of specific technologies should be left to the market, while users should decide on their preferences for the use of the technologies. It was emphasized that there is a strong need to raise awareness of renewable energy- related technology and services, since based on the experts' experiences, there is an insufficient dissemination of the basic information on renewable energy itself. It was also pointed out that it might be too early for Asia and the Pacific to set a concrete target for the introduction of renewable energy.

29. Issues of good governance and capacity-building in the Message were also discussed at the meeting. It was pointed out that local people's involvement would be an integral component in good governance. Regarding capacity-building, it was suggested that the Message should include several aspects such as technology transfer, provision of information, traditional/local knowledge, and monitoring and awareness raising.
30. A proposal by an APFED member to initiate and negotiate an international convention on renewable energy was discussed from the viewpoint of energy experts. In the view of the expert meeting, while further efforts need to be made for promoting renewable energy, a new convention for renewable energy would not be an appropriate instrument, since each country has its own best energy mix to be decided by the national government. Collecting best practices was suggested for future deliberation, to serve as models for reference and for replication.
31. Participants emphasized that APFED should remain an intergovernmental non-political forum where people from different bodies can discuss various matters and develop a vision for Asia and the Pacific region.
32. Views that emerged from the three experts meetings will be provided as input from experts in the region, for consideration by APFED members in the finalization of their Message to the World Summit on Sustainable Development.