



A Special Report on Selected Side Events at the
United Nations Climate Change Conference - Poznań

Published by the International Institute for Sustainable Development (IISD)

Online at <http://www.iisd.ca/climate/cop14/enbots/>



Issue #4 | UN Climate Change Conference | 1-12 December 2008 | Poznań, Poland | Friday, 5 December 2008

Events convened on Thursday, 4 December 2008

Supporting Technology, Finance, Deployment and Innovation in Developing Countries

Presented by Natural Resources Defense Council and E3G



Jake Schmidt, NRDC, proposed to set aside a proportion of allowances or auction revenues in domestic trading systems to finance an international clean energy development fund.

This event considered means to support technology deployment incentives in the post-2012 climate change regime and focused on options and mechanisms to develop and deliver low-carbon technologies that will keep the rise of the global average temperature below 2°C.

Shane Tomlinson, E3G, noted that climate change poses a unique challenge for innovation and finance. He said that current low-carbon technologies will not provide the necessary emission reductions and that new innovation is required. He stressed that such innovation is a global public good and will require international action to capture all benefits. He also said that a risk-based approach projects that the required level of investments is higher than most models suggest. He called for improving the global innovation system to manage risk, support innovation networks, and spread technologies, as well as for the establishment of a global innovation and diffusion fund as part of a new institutional framework for low-carbon innovation.

Jake Schmidt, Natural Resources Defense Council (NRDC), stressed that it is essential to differentiate among incentive frameworks by sector and distinguish between carbon market incentives and technology incentives. He explained that the latter may include "low-hanging fruit" incentives, such as international loan programmes for technologies that pay for themselves, as well as "advanced technology" incentives in the form of grants for technologies that are not currently cost competitive.

Melanie Nakagawa, NRDC, described common attributes of successfully established multilateral funds and suggested that these should be considered in setting up an international clean energy development fund under the Convention, including: a technical assessment body; a regional network system; partnerships among several actors; financing in the form of grants and loans; fair decision-making in the allocation of funds; a compliance mechanism; rapid mobilization of funds; and involvement of civil society.

James Davey, Department for Energy and Climate Change, UK, noted that technology transfer is an enormous problem because the rate of adoption of clean technologies is extremely low compared to what is needed by 2050. He emphasized the need to involve private capital, because governments are not going to pay all associated mitigation costs and said that aggressive, global emission cuts are required and should follow the principle of common but differentiated responsibility.

Participants discussed: how to maintain private sector incentives while increasing collaborative approaches; South-South technology transfer; capacity building; and the need to move away from fossil fuel-dependent markets.

More information:

<http://www.e3g.org>
<http://www.nrdc.org>

Contact:

Melanie Nakagawa
<mnakagawa@nrdc.org>

This issue of the *Earth Negotiations Bulletin on the Side* (ENBOTS) © <enb@iisd.org> is written and edited by Claudio Chiarolla, Kelly Levin, and Peter Wood. The Digital Editor is Dan Birchall. The Editor is Soledad Aguilar <soledad@iisd.org> and the Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are the United Kingdom (through the Department for International Development - DFID), the Government of the United States of America (through the Department of State Bureau of Oceans and International Environmental and Scientific Affairs), the Government of Canada (through CIDA), the Danish Ministry of Foreign Affairs, the German Federal Ministry for Economic Cooperation and Development (BMZ), the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the Netherlands Ministry of Foreign Affairs, the European Commission (DG-ENV), and the Italian Ministry for the Environment, Land and Sea. General Support for the *Bulletin* during 2008 is provided by the Norwegian Ministry of Foreign Affairs, the Government of Australia, the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, the Ministry of Environment of Sweden, the New Zealand Ministry of Foreign Affairs and Trade, SWAN International, Swiss Federal Office for the Environment (FOEN), the Finnish Ministry for Foreign Affairs, the Japanese Ministry of Environment (through the Institute for Global Environmental Strategies - IGES), the Japanese Ministry of Economy, Trade and Industry (through the Global Industrial and Social Progress Research Institute - GISPRI), and the United Nations Environment Programme (UNEP). Funding for translation of the *Bulletin* into French has been provided by the International Organization of the Francophonie (IOF). Funding for the translation of the *Bulletin* into Spanish has been provided by the Ministry of Environment of Spain. The opinions expressed in the *Bulletin* are those of the authors and do not necessarily reflect the views of IISD or other donors. Excerpts from the *Bulletin* may be used in non-commercial publications with appropriate academic citation. For information on the *Bulletin*, including requests to provide reporting services, contact the Director of IISD Reporting Services at <kimo@iisd.org>, +1-646-536-7556 or 300 East 56th St., 11A, New York, NY 10022, USA. The ENBOTS team at the *United Nations Climate Change Conference - Poznań* can be contacted by e-mail at <peterw@iisd.org>.

Opportunities and Challenges for a US Cap and Trade Programme

Presented by the US German Marshall Fund

This event discussed future climate policy in the US and implications for the EU, businesses and the global climate. It included two presentations followed by responses from four discussants.

Jonathan Pershing, World Resources Institute, discussed US climate activities. He outlined state mitigation efforts, as well as regional emissions trading programmes, namely the Regional Greenhouse Gas Initiative, the Midwestern Greenhouse Gas Reduction Accord, and the Western Climate Initiative. He noted that despite the aggressiveness of state reduction programmes, federal programmes will also be needed. He also discussed "green collar" job creation, the role of the business community in the US Climate Action Partnership, and how various legislative proposals compare regarding emissions targets, source coverage, and auctioning provisions. He concluded by projecting that the US will have a domestic programme soon, reductions will be significant, and major investments will be made in technology. He said that the current economic climate's potential for sparking progress will depend on the nature of the stimulus package provided by the US government.

Artur Runge Metzger, European Commission, presented on climate change activities in the EU. He described the EU's future targets and lessons learned from experiences with the EU Emission Trading Scheme (ETS), such as the need to: address carbon leakage; keep the allocation system simple; and minimize transaction costs. He said that coordination between the EU and US climate systems would depend upon: a robust cap; the absence of governmental intervention to correct price signals created by the market; defined climate and environmental benefits in offset provisions; and robust monitoring and reporting.

Martin Berg, Merrill Lynch, underscored the need for market certainty post-2012. Lisa Jacobson, the Business Council for Sustainable Energy, argued that policy design will need to focus on details concerning allocation, technology deployment and means to drive investment. Lisa Beal, Interstate Natural Gas Association of America, discussed future US climate policy from the standpoint of the natural gas sector, and voiced support for a national programme. Kate Hampton, Climate Change Capital, highlighted the importance of the cap design, cautioned against lock-in of carbon-intense technologies, and called for transparent and simple rules and support for the diffusion of carbon capture and storage and renewable energy sources.

Participants discussed: the inclusion of forests in cap and trade programmes; connecting the EU and US climate systems; legal issues regarding trading between the US and foreign powers; the interaction of additionality requirements and renewable portfolio standards; flexibility; mitigation in the natural gas sector; competitiveness; and the timeline for developing a market signal, as well as a US climate policy.



Jonathan Pershing, World Resources Institute, discussed the level of state emissions in the US, as well as contributing sectors.



Artur Runge Metzger, European Commission, said the best way to achieve cost efficiency is to start with market-based activities rather than standards for industries.



L-R: Jonathan Pershing, World Resources Institute; Artur Runge Metzger, European Commission; Moderator Jennifer Haverkamp, Environmental Defense Fund.

More information:
<http://www.gmfus.org>

Contact:
 Kristin Lubber <klubber@gmfus.org>

UN System Response to REDD

Presented by the United Nations

This event brought together several agencies and organizations to discuss reducing emissions from deforestation and forest degradation (REDD), including its related policy and programme architecture, coordination, and funding. It described the UN-REDD Programme, which was developed as a result of the Bali climate negotiations and was launched on 24 September 2008.

Hans Brattskar, Norway, said that Norway has committed US\$3 billion to REDD activities, with the intention of catalyzing additional funds from other sources. He stressed that a REDD mechanism must be included in a future climate change framework, and should comprise: a reliable framework for monitoring and verification; third party verification; ownership and commitments from national governments; and the support of civil society and indigenous peoples.

Kaveh Zahedi, UNEP, said that REDD has stimulated a large number of initiatives and that UN-REDD seeks to coordinate activities to ensure that the UN “delivers as one,” while allowing for a diversity of approaches and supporting countries in their REDD-readiness. He described country activities, including consultation, strategy development, and pilot projects in tropical forest regions.

Benoit Bosquet, World Bank, provided an update on the Forest Carbon Partnership Facility (FCPF), noting that it has been operational since June 2008, with 25 countries selected as participants. He noted that the FCPF includes participation from indigenous groups and is based on two funds: the REDD Readiness Fund (US\$150 million) and a performance-based Carbon Fund (US\$200 million). He described the experience of Panama in co-financing REDD-readiness activities.

Gisela Ulloa Vargas, Bolivia, said that it is important to remember that much is left to be determined regarding what REDD might look like in the future, adding that this must reflect the principles of the UN Declaration on the Rights of Indigenous Peoples and be supportive of national development plans. She stressed that compensation must go beyond opportunity costs and consider forgone food production and GDP impacts.

Victoria Tauli-Corpuz, Tebtebba, said that the burden of proof is on REDD proponents to show that the FCPF will be supportive of indigenous peoples, noting that forest-dependent people have long fought governments and World Bank-sponsored initiatives that have degraded forests. She identified centralized governance of REDD, including the administration of financing, as a potential threat, adding that indigenous land rights are often not legally recognized. She highlighted recommendations emerging from a meeting of indigenous peoples held in November 2008, including that the UN Declaration on the Rights of Indigenous Peoples must provide REDD's overarching framework.

Participants discussed: the lack of consultation prior to the launch of the FCPF; the definition of “forest” that will be used in REDD policies and programmes; food security; third party verification; timelines for REDD pilots; success criteria; and pricing of carbon.



Gisela Ulloa Vargas, Bolivia, stated her country's opposition to biofuels.



Benoit Bosquet, World Bank, discussed the financing mechanisms of the Forest Carbon Partnership Facility



L-R: Hans Brattskar, Norway; Kaveh Zahedi, UN-REDD/UNEP; Benoit Bosquet, Forest Carbon Partnership Facility/World Bank; Victoria Corpuz, Tebtebba; Gisela Ulloa Vargas, Bolivia; Chair Charles McNeill, UN-REDD/UNDP.

More information:

<http://www.un-redd.net>
<http://wbcarbonfinance.org>

Contact:

Charles McNeill <charles.mcneill@undp.org>

Business Views on US Carbon Markets and Clean Tech

Presented by the Business Council for Sustainable Energy

This event provided a private sector perspective on recent developments in US energy efficiency policy developments, and the outlook for the widespread adoption of renewable energy technologies.

Dave Schnaars, Solar Turbines/Caterpillar; presented the case for taking rapid steps to promote sustainable energy and energy efficiency, and said that a mix of financial incentives and regulations can be used to change behavior.

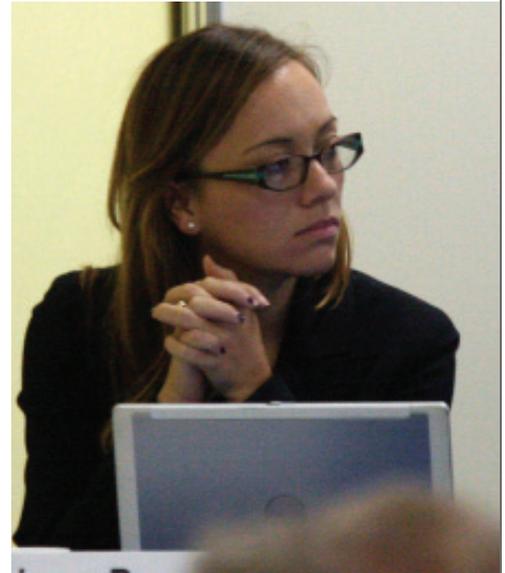
Lisa Beal, Interstate Natural Gas Association of America (INGAA), noted that 20% of US energy comes from natural gas. She said that INGAA does not support carbon dioxide being controlled by the US Environmental Protection Agency as a pollutant, and said that a market-based programme is more appropriate. She said that the Obama administration will give renewable energy a high priority, and noted links between energy security and addressing climate change.

Obadiah Bartholomy, Sacramento Municipal Utility District (SMUD), described California's proposed plan to reduce the state's greenhouse gas emissions to 1990 levels by 2020, noting that the plan is likely to be approved soon. He said that 80% of reductions are to come as a result of new regulations, and that imports of coal-based energy from out-of-state will be included in emissions. He highlighted the importance of providing certainty regarding a market for renewable energy, noting the construction of a new photovoltaic energy plant near Sacramento. He described the Western Climate Initiative, which is based on Western states and Canadian provinces setting their own goals for reducing emissions.

Jeff Moe, Trane, described the range of changes that can be made to "green" the design of a building, including sourcing sustainable materials and improving energy efficiency. He noted that green buildings can cost three to five percent more, but that this investment is returned in energy efficiency gains within three years. He suggested introducing a mandatory energy efficiency audit to be conducted prior to the sale of all homes.

Aimee Barnes, EcoSecurities, called for urgent action on climate change, noting the need to draw upon all available tools and existing technologies. She said that the US has missed out on significant opportunities by not signing the Kyoto Protocol. She highlighted the need for clear guidelines on methodologies for emissions reduction project development, and to address the negative press that offset mechanisms have recently received. Regarding the "roadmap to 2020," she stressed that making significant gains in the near term will be crucial.

Participants discussed: the need for a tightly regulated, restricted carbon market at the federal level in the US; how to ensure carbon pricing stability; how to ensure that offsets are real; and the consequences of the global financial crisis for climate change strategies.



Aimee Barnes, EcoSecurities, described barriers to the deployment of renewable energy technologies.



Obadiah Bartholomy, SMUD, emphasized that an emissions cap is needed in order to provide an incentive to reduce emissions.



L-R: Aimee Barnes, EcoSecurities; Jeff Moe, Trane; Obadiah Bartholomy, Sacramento Municipal Utility District; Dave Schnaars, Solar Turbines; Moderator Lisa Jacobson, BCSE; Lisa Beal, INGAA.

More information:
<http://www.bcse.org>

Contact:
 Lisa Jacobson <jacobson@bcse.org>

Adaptation Experiences Across Sectors and Scales

Presented by the United Nations Development Programme



L-R: Bo Lim, UNDP; Moderator Anand Patwardhan; Jesus Quintana, IFAD; Stephan Baas, FAO; Gabor Vereczi, UNWTO; Carlos Scaramella, WFP; Esteban Leon, UN-Habitat.

This event discussed supporting in-country programming on adaptation. After a brief presentation, two groups of panelists – the first on coordinating and implementing adaptation initiatives within and across sectors, and the second on financing and sharing knowledge to support national planning on adaptation – were given an opportunity to respond.

Bo Lim, United Nations Development Programme (UNDP), presented on behalf of UN agencies on four aspects of adaptation: strengthening coordination and institutional capacity; policy setting and implementation; expanding financing options; and knowledge sharing. She defined adaptation as securing development benefits that might otherwise be undermined by climate change.

In the first panel, Jesus Quintana, International Fund for Agricultural Development (IFAD), outlined IFAD's climate change activities in coordinating with other agencies and organizations, as well as on the ground. Stephan Bass, UN Food and Agriculture Organization, noted that adaptation is still in an awareness-raising phase, and called for proactive rather than reactive mainstreaming activities. Gabor Vereczi, UN World Tourism Organization, described two pilot projects in Fiji and the Maldives. He said tourism cuts across sectors and, therefore, can help foster a dialogue for collaboration. Carlos Scaramella, UN World Food Programme (WFP), described the WFP's role in addressing climate change: providing a humanitarian and emergency response; transferring capacity and knowledge systems; and scaling up community-based programmes. Esteban Leon, United Nations Human Settlements Programme (UN-HABITAT), described the high rate of population growth in the world's cities, and called for addressing problem drivers and coordinating with local authorities.

In the second panel, Bo Lim, UNDP, presented on an adaptation project in Malawi that aims to promote sustainable economic growth and achieve food security. Ian Noble, World Bank, discussed the Bank's activities to scale up adaptation, and argued that adaptation requires additional money and must be driven by country priorities. He highlighted the development of pilot projects aimed to integrate further climate resilience into developing planning. Avinash Tyagi, World Meteorological Organization, stated that the deficit of local-level information is one of the biggest impediments to addressing climate change. He called for a dialogue with users of climate information, and for information to be provided in a usable format. Jian Lu, UN Environmental Programme, described the differences between data, information and knowledge, and voiced support for the UN's "Delivering as One" initiative.

Participants discussed: the role of the private sector; planned migration; gaps of knowledge between bureaucrats and communities; distinguishing between climate change and climate variability; corporate social responsibility; maladaptation; and community-based adaptation.



L-R: Bo Lim, UNDP; Moderator Anand Patwardhan; Avinash Tyagi, WMO; Ian Noble, World Bank; Jian Lu, UNEP.



Bo Lim, United Nations Development Programme, highlighted the "invisible work" required to develop and implement the National Adaptation Programmes of Action.



Ian Noble, World Bank, said that the adaptation deficit must be dealt with.

More information:
<http://www.undp.org>

Contact:
Bo Lim <bo.lim@undp.org>

An Actionable Guide: Investing in a Well-Prepared Society

Presented by Stakeholder Forum for a Sustainable Future

This event focused on the importance of education for sustainable development and the human dimension of climate change, the “missing fifth building block” of the climate change regime.

P.J. Puntenney, Environmental and Human System Management, described the development of a sustainable society as a learning process and stressed the importance of good governance, as well as the links between climate change, biodiversity loss, poverty and the financial crisis, where the amelioration in one area may worsen the situation in another. She also stressed that since the late 1990s, climate change scientists have been saying that solutions which worked in the past will not necessarily work in the future, and that the human dimension of climate change must be integrated into the strategic policy framework of the UNFCCC.

Felix Dodds, Stakeholder Forum for a Sustainable Future, stressed the need to move the human dimensions’ agenda for building well-prepared societies to the center stage of the 2012 framework. He expressed concern regarding the lack of proper stakeholder involvement in the climate change process, such as in the work of the Subsidiary Body on Implementation and the Ad hoc Working Group on Long Term Cooperative Action. He proposed the creation of an informal government support group to prepare a set of detailed recommendations for Copenhagen, to be circulated to all governments.

Bremley Lyngdoh, Worldview Impact, stressed the link between poverty and the environment and the need to test the policies proposed at the international level to see how they work for people at the local level. He also emphasized that the principle of “eco-effectiveness” should prevail over “eco-efficiency,” as the latter would not necessarily prevent pollution. He advocated the localization of environmental curricula, and stressed the crucial role of youth and the engagement of local people in attaining sustainability.

John Takang, UNU-International Human Dimension Programme, described his research, which focuses on the human dimension of global change, namely how humans influence their environment and the resultant impacts of altered environments on human life. He stressed the importance of research to identify the kind of education that is necessary for realizing sustainability and the institutions that are required to cope with global change.

Participants discussed: education and awareness as a fundament building block of sustainable development; the links between poverty, security and the environment; eco-effectiveness principles; and the absence of research on the linkages between climate change and public health.



Felix Dodds, Stakeholder Forum for a Sustainable Future, said the international community has failed to “reorient education towards sustainable development.”



Bremley Lyngdoh, Worldview Impact, stressed the need to move away from a patronizing development model by highlighting the dangers of mining for the extraction of uranium in India.



L-R: Felix Dodds, Stakeholder Forum; P.J. Puntenney, Environmental and Human Systems Management; Bremley Lyngdoh, Worldview Impact; John Takang, UNU-International Human Dimension Program.

More information:

<http://www.stakeholderforum.org>
<http://www.earthsummit2012.org>

Contact:

P.J. Puntenney <pjunt@umich.edu>
 Felix Dodds <f_dodds@hotmail.com>