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Events convened on Thursday, 24 June 2004

International Conference for Renewable Energies, Bonn 2004: Outcomes and follow-up

Presented by the delegation of Germany



Martin Schöpe, Germany's Federal Ministry of Environment, Nature Conservation and Nuclear Safety, highlights that the measures committed to in the International Action Programme would save over 1.2 billion tonnes of carbon emissions.

Moderating this side event, Karsten Sach, Germany, explained that the International Conference on Renewable Energies (renewables 2004) was borne out of an announcement by German Chancellor Gerhard Schröder at the World Summit on Sustainable Development (WSSD) in 2002.

Martin Schöpe, Germany's Federal Ministry of Environment, Nature Conservation and Nuclear Safety, presented the Conference's outcomes: the Political Declaration; the International Action Programme; and Policy Recommendations. He highlighted that the Political Declaration represents the broad consensus that was achieved among the 154 governments at the Conference, and reaffirms the commitment to increase, with a sense of urgency, the global share of renewable energy. He noted that the Declaration, *inter alia*, outlines the principles for a follow-up process and agrees on measurable steps to be reported to the UN Commission on Sustainable Development. Regarding the International Action Programme, Schöpe drew attention to over 180 actions and commitments related to policies for market development, financing options, and capacity building, that were voluntarily submitted by governments, international organizations, the private sector, civil society and other stakeholders. He highlighted that several countries have adopted renewable energy targets, including Australia, Belgium, China, Cyprus, Denmark, Egypt, Iran, Jordan, Mexico, Morocco, the Philippines, Senegal, South Africa, Spain, Switzerland, Tunisia, Uganda and the UK. Schöpe then outlined the Policy Recommendations, which contain a menu of policy options for national governments, international organizations, as well as businesses, the finance sector and civil society.

Emphasizing that energy trends are changing and renewable energy development is gaining momentum, Harald Dovland, Norway's Ministry of the Environment, highlighted that renewables 2004 provided a strong push for renewable energy. Regarding the Political Declaration, he noted that many countries wanted a clear renewable energy target, but that it was more important to achieve consensus.

Steve Sawyer, Greenpeace International, expressed disappointment that the EU did not demonstrate stronger political leadership in promoting renewable energy at renewables 2004. He highlighted the approximately US\$2 billion in renewable energy commitments pledged at the Conference, and praised China, among other countries, for adopting renewable energy targets.

Richard Hosier, Global Environment Facility (GEF), drew attention to the GEF's commitment to provide US\$100 million for renewable energy projects in developing countries. He concluded by expressing hope that developing countries might avoid the unsustainable energy pathway taken by developed countries and leapfrog to renewables.

Discussion: In the ensuing discussion, participants addressed: the role of renewable energy in the Clean Development Mechanism (CDM); the World Bank Extractive Industry Review; the adequacy of the proposed follow-up process for renewables 2004; and the need to work on energy efficiency. One participant noted that US\$2 billion for renewable energy is tiny compared to the trillions of dollars that will be invested in the energy sector in the coming decades.

More information:

<http://renewables2004.de>
<http://www.iisd.ca/sd/ren2004>

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CDM Project Preparation

Presented by the International Emissions Trading Association (IETA)



Irma Lubrecht, notes that baseline methodologies are stretched, especially in small-scale projects.

Edwin Aalders, IETA, explained that the presenters of this side event would discuss their experiences in developing CDM projects, including lessons learned and suggestions for improving the process.

Michiel ten Hoopen, EcoSecurities, presented the CDM approval process from a project developer's perspective. He provided a brief overview of EcoSecurities, noting that they assist in developing CDM and JI projects. Hoopen reviewed the methodology process, highlighting that: the bottom-up process is effective; the approval process is slow and risky for project developers; methodologies are often too specific and consolidation is necessary; and the status of pending and accepted methodologies are uncertain due to consolidation. Hoopen questioned what the additionality test would be for consolidated methodologies and highlighted that there are large differences in additionality tests between methodologies. He underscored ways to manage risk in the approval process, including waiting for the approval of consolidated methodologies if time allows, using an already approved methodology, and ensuring the quality of the methodology. He concluded that the CDM approval process is still risky for project developers, and that the process will become easier and will improve with more consolidation methodologies.



Panelists discuss the concerns and successes of CDM project preparation.

Irma Lubrecht, General Surveillance Company (SGS), said that SGS provides validation and verification for CDM projects and noted that they include all relevant gases and sectors. She stressed that although her presentation would provide criticism, she believes that validation is on the right track. On baseline methodologies, Lubrecht said that the validation cycle is unclear to project developers and urged project consultants to keep project developers up to speed. Lubrecht spoke on additionality, noting that: most project developers have difficulty proving additionality; since additionality requirements are under revision, guidance is lacking and project developers must use Annex 1 to the tenth meeting of the Executive Board (EB 10) for clarification until the new requirements are published. She noted that monitoring plans are incomplete and lack data, and that greenhouse gas calculations are over-estimated and untransparent. Lubrecht insisted that in order to receive verification from the Executive Board (EB), guidelines must be followed, and said the new Project Development Document (PDD) is under review and the project should be discussed with the validator at an early stage. She concluded that although her talk contained criticism, she wanted to end on a positive note by highlighting that the first project will be registered soon.

Georg Børsting, CDM Executive Board, said that it is the EB's responsibility to synchronize the CDM including the core issues such as approving methodologies and approving and registering project activities. He stressed that creating the guidelines for the CDM project cycle has been a "learning by doing" process. Børsting stated that the CDM EB is now entering a new phase, noting that projects are being submitted and project activities can now be registered. Regarding methodologies, he said that it is a bottom-up approach, but that it is time consuming, and stressed that the EB needs to review the methodology process. He said that the EB is trying to develop a consolidation methodology in order to help the project developers. Noting the concern of some project developers that methodologies may be too project specific, Børsting highlighted the consolidation of methodologies as a solution. He concluded by saying that the EB hopes that the consolidation effort will help speed up the project approval process, highlighting that the CDM Methodologies Panel Chair has taken it upon himself to review this matter further.

More information:

<http://www.ecosecurities.com>
<http://www.ieta.org>
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Discussion: In the ensuing discussion, participants addressed PDD quality, the utilization of existing methodologies, additionality in relation to national legislation, the benefits of consolidation methodologies, investment additionality, deadlines for submitting new methodologies, guidelines for the monitoring plan, and the use of CDM guidelines for Joint Implementation projects.