



A Special Report on Selected Side Events at the Twenty-eighth sessions of the UN Framework Convention on Climate Change (UNFCCC) Subsidiary Bodies and Sessions of the *Ad Hoc* Working Groups

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Events convened on Friday, 13 June 2008

CDM Executive Board: question and answer session

Presented by the UNFCCC



Lex de Jonge, Vice-Chair CDM Executive Board, stressed that "rejections" are mainly due to additionality issues, incorrect use of methodology, and incorrect monitoring.

Lex de Jonge, Vice-Chair CDM Executive Board, summarized the Board's progress to date, highlighting that there are currently 1078 registered CDM projects, 150 million CERs issued, and 1.2 billion CERs expected from currently registered projects. He stressed that methodologies are no longer the main hurdle to project approval, noting that there are currently 114 available methodologies. He then summarized the Board's ongoing work, highlighting the large number of project applications and the Board's continued assessment of the efficiency of the review procedures with a view to speeding up the process where possible. De Jonge noted that the Board is currently considering guidance for situations in which implemented CDM projects differ from the original registered project description.

He concluded by outlining the eleven steps in project registration, highlighting that, in his opinion, an appeal process is not necessary because one is already built into the review process at five different stages, including when/if the: project is validated by the Designated Operational Entity (DOE); UNFCCC secretariat reviews the project for completeness; project proponent and DOE respond to the Board's reasons for a review request and/or to the review itself; and if the Board decides to conditionally register a project provided that additional information is submitted.

In the ensuing question-and-answer session, participants discussed, inter alia: technical aspects of submitting and reviewing CDM projects, the rationale for a CER gold standard; possible enhancements to the supervisory role of the Board; using standardized modalities of communication to reduce long waiting periods; misuse of the additionality tool; ways to reduce barriers to energy efficiency projects; and ways to increase dissemination of positive information about the CDM and the Board's work that may currently be misrepresented in the media and in recent academic writing.

More information:

<http://cdm.unfccc.int/>

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Climate change financing - fresh resources for sustainable land management or re-labelling?

Presented by CATIE

Alexander Müller, FAO, noted that, in the Declaration emerging from the June 2008 High-Level Conference on World Food Security, governments acknowledged the need for smallholder farmers and fishers to participate in and benefit from financial mechanisms to support climate change adaptation, mitigation and technology development, transfer and dissemination. He cited research showing that, with the right policies, the agricultural sector could approach carbon neutrality, but that most relevant reduction activities are not currently eligible under the CDM. He highlighted the need to simultaneously address carbon sequestration, natural resource management, and sustainable livelihood development.

Lucio Pedroni, Tropical Agricultural Research and Higher Education Centre (CATIE), Costa Rica, suggested that fears of market flooding by Afforestation/Reforestation (A/R) projects have been unwarranted, highlighting barriers to projects, including: a low appetite for temporary credits; complex modalities and procedures; and small output of CERs. He stressed that sustainable land management can reduce pressure on forests and that deforestation and sustainable land management should be addressed in an integrated manner. He highlighted difficulties in determining whether forest owners or non-forest owners would receive credits in this instance, particularly given that sustainable land management yields small and slow changes in carbon stocks.

Robert Tippmann, EcoSecurities, introduced the Climate Change Investment Facility, a joint Global Mechanism (GM), FAO, and EcoSecurities initiative that aims to promote mitigation and adaptation activities in the agricultural, rural, and land-use sectors. Noting that carbon credit opportunities exist in these sectors, he argued that promotion at the necessary scale has yet to occur, and that the private sector can play a role in this regard.

Sven Harmeling, Germanwatch, emphasized that sustainable land management and reducing deforestation must be a pillar of the post-2012 regime. He stressed the importance of tackling deforestation without raising emissions from developed countries, which could be a concern if large volumes of credits become available under REDD.

Reinhard Wolf, GTZ, said, in contrast to past experience, activities to reduce deforestation will increasingly become performance-based, and that insufficient performance rather than finances may be the main concern for REDD. He urged capacity building in developing countries to address this problem.

Participants discussed: the importance of linking reduced deforestation to on-the-ground sustainable livelihood development, and the conflicts that can exist between the two; the potential that REDD will exclude the poor in arid and semi-arid regions, and the role of fund mechanisms and appropriate definitions in REDD language to overcome this challenge; and the transition to performance-based mechanisms.



Lucio Pedroni, CATIE, argued that methods and procedures for A/R projects should be revisited before considering agricultural, forestry, and other land-use projects within the context of flexible mechanisms.



Sven Harmeling, Germanwatch, recommended that, in addition to market mechanisms, fund-based solutions to reducing deforestation should be considered.

More information:

<http://www.fao.org>
http://www.catie.ac.cr/magazin_ENG.asp?CodIdioma=ENG
<http://www.ecosecurities.com>
<http://www.germanwatch.org/start/english.htm>
<http://www.gtz.org>
<http://www.global-mechanism.org>

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European initiatives on technology transfer for climate change

Presented by the European Community

Elvira Ragosta, European Commission (EC), highlighted the work of the EU Energy Facility, which has provided €203 million to fund 75 projects aimed at improving: access to energy services; management and governance; and cross-border cooperation. She showed that most projects employ renewable energy or expand the grid with increased transmission lines. She said most of the projects are in Africa and gave two examples of rural biogas projects from Kenya and Ethiopia, mostly at the household level.

Denis Loyer, French Agency for Development, highlighted: the role of CDM and bilateral funding in technology transfer; the challenge of adapting technologies to local circumstances; the need to diversify financial resources between grants, loans, private funds, and the CDM; and scaling up technology transfer through national policies, sectoral approaches, capacity building, and the CDM.

Adrian Lema, Ministry of Climate and Energy, Denmark, presented ideas of how to scale up technology transfer in the CDM, including through: enabling environments; simple rules; baselines below business-as-usual to provide additionality; programmatic CDM; and sectoral crediting approaches.

Stefan Tostmann, EC, presented the European Strategic Energy Technology Plan. He described the possible technological approaches to reduce carbon dioxide emissions from combustion, including through: energy savings; fossil fuel switching; CCS; renewable energy; and nuclear energy. He highlighted that R&D investment in energy has been declining over the last 30 years and showed that nuclear energy is receiving a high portion of the current R&D.

Sven Schade, EC, highlighted the technology transfer services of the Innovative Relay Centre Network, which is not currently linked to climate change, but is the largest technology transfer network in the world. He said the EU, Chile, Iceland, Israel, Norway, Switzerland, and Turkey are part of the network, and that 50% of the funding comes from the EC and the rest from national partners.

Participants discussed the: possible inclusion of demonstration projects if there is a second EU Energy Facility; limited transport projects under the CDM due to high costs; role of energy efficiency standards; and difficulties in evaluating technology transfer in the CDM.



Sven Schade, EC, said there is potential for collaboration outside of Europe, and noted that the CBD has established baseline cooperation with the Innovative Relay Centre Network.

More information:

<http://ec.europa.eu/europeaid/energy-facility>
http://ec.europa.eu/energy/res/setplan/communication_2007_en.htm

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