



Special Report on Selected Side Events at UNFCCC COP-6 Part II

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Events convened on Wednesday 25 July 2001

Reporting and review of greenhouse gas inventories from Annex I Parties

Presented by the UNFCCC Secretariat

At this event, members of the UNFCCC Secretariat outlined ongoing activities for implementing Decision 3/CP.5 (reporting guidelines on annual GHG inventories) and Decision 6/CP.6 (guidelines for technical review of annual GHG inventories from Annex I Parties).

Roberto Acosta recalled that COP-5 adopted Decisions 3/CP.5 and 6/CP.6, and established a trial period of 2000-2001 to assess both guidelines, with a view to revising them at COP-7 and COP-8, respectively. He explained that the review approach consists of three stages: an initial check of annual inventories; synthesis and assessment (S&A) of annual inventories; and expert review of individual inventories, which includes a desk review, centralized review and in-country visit review. Acosta noted that SBSTA-15 may initiate consideration of possible modifications of the reporting guidelines to be completed by COP-8 rather than COP-7. He reported that a workshop will be held from 4-8 December 2001, in Bonn, to bring together experts involved in the preparation and review of inventories to consider methodological and operational aspects of the guidelines' use. SB-16 may consider possible modifications of both guidelines with a view to completing the work by COP-8.

Stylianos Pesmajoglou outlined issues identified in the technical review of GHG inventories. He reported that, for the year 2000 GHG submissions, the Secretariat completed initial checks and status reports of 23 Parties, S&A of the inventories, desk reviews of three Parties, centralized reviews of six Parties, and in-country reviews of four Parties. The Secretariat has also completed initial checks and status reports of 27 Parties for the 2001 GHG submissions.

James Grabert provided an overview of the GHG inventory database. He noted that future activities will include reviewing the common reporting format (CRF) software, developing new reporting software, incorporating external statistics used in the review process, revising the web-site interface for GHG data, and improving software tools.



Roberto Acosta, UNFCCC Secretariat, notes that the review process should result in high-quality and reliable inventories, which will provide a robust foundation for effective implementation of the UNFCCC and the Kyoto Protocol.

More information:

<http://www.unfccc.int/resource/ghg/tempemis2.html>

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The Earth Negotiations Bulletin (ENB) on the side is a special publication of the International Institute for Sustainable Development (IISD) in cooperation with the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat. The Editor of ENB on the side is Kira Schmidt <kira@iisd.org>. This issue has been written by Emily Boyd <emily@iisd.org>, Fiona Koza <fiona@iisd.org>, and Kira Schmidt <kira@iisd.org>. The Digital Editors are Andrei Henry <andrei@iisd.org> and Kenneth Tong <ken@iisd.org>. Photos by Andrei Henry <andrei@iisd.org> and Leila Mead <leila@iisd.org>. Funding for publication of ENB on the side at COP-6 Part II is provided by the UNFCCC Secretariat. The opinions expressed in ENB on the side are those of the authors and do not necessarily reflect the views of IISD and funders. Excerpts from ENB on the side may be used in non-commercial publications only and only with appropriate academic citation. For permission to use this material in commercial publications, contact the Managing Editor at <kimo@iisd.org>. Electronic versions of these issues of ENB on the side from COP-6 Part II can be found on the Linkages WWW server at <http://www.iisd.ca/climate/cop6bis/enbots/>.



Bert Metz, RIVM, states that it is technically feasible for Europe to reduce its emissions by 80 percent by 2050.



Atiq Rahman, Bangladesh Centre for Advanced Studies, stresses the need to de-link growth, development and energy from carbon intensity.

More information:

<http://www.nop.nl/cool>
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The COOL global dialogue: Options for long-term climate policies and their short-term implications

Presented by the Free University Amsterdam in cooperation with the National Institute of Public Health and the Environment (RIVM)

Bert Metz, RIVM, stated that the aim of the Climate OptiONS for the Long term (COOL) project is to investigate options for a long-term climate policy strategy in the Netherlands and within European and global contexts. He explained that COOL uses a back-casting approach, focuses on the long term (2050), and entails drastic emissions reductions. Metz showed that stabilizing CO₂ concentrations at 450 ppm is technically feasible at relatively low cost through, *inter alia*, shifting to renewables, using CO₂-neutral transportation fuels, and practicing energy efficiency. He demonstrated that stabilization at 450 ppm will require emissions reductions of 15-25 percent globally by 2050, with a peaking of global CO₂ levels within the next two decades. Stressing the inertia of natural and human systems, Metz emphasized the need for early action. He concluded that crucial actions for the next decade include: ratifying and implementing the Kyoto Protocol; discussing an equitable regime for future differentiation of commitments; investing in cleaner technologies; raising public awareness; and incorporating climate protection goals into sustainable development strategies that aim to transition to low carbon energy systems.

Atiq Rahman, Bangladesh Centre for Advanced Studies, stated that the world faces considerable risks if immediate action is not taken to prevent climate change. He expressed disappointment with negotiators who argue that drastic emissions reductions cannot be achieved, and highlighted the need to shift from a "can't-be-done" to a "can-be-done" mindset.

Discussion: Participants discussed, *inter alia*: costs of non-action; the need to reduce atmospheric CO₂ concentrations below 450 ppm; the carbon intensity approach; the potential for hydrogen power; and the importance of immediate emissions reductions.

Reporting and review of greenhouse gas inventories from Annex I Parties

Presented by UNFCCC Secretariat

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Experts involved in the reviews offered insights from their experiences. It was noted that desk reviews provide the opportunity to study national inventory reports (NIRs) and the CRF without the time constraints of in-country visit reviews, although the ability to confer with reviewed Parties could have improved the reviews. Experts noted that the centralized reviews were expensive and time-consuming, and highlighted the need to streamline the process and better prepare review teams. On in-country reviews, experts emphasized the usefulness of the NIR, CRF and S&A reports, and suggested that timely provision of review materials, access to the database, and additional information would have been beneficial. Experts underscored that the Secretariat's support was excellent and crucial to the success of the reviews.



Helen Plume, New Zealand Ministry of the Environment, notes that New Zealand found the review process useful in prioritizing work on its inventory, and that local inventory experts benefited from interaction with the review team.



Ajay Mathur, World Bank, emphasizes the Bank's concerns regarding adaptation and vulnerability to climate change.



Mangesh Hoskote, World Bank, describes the links between the Bank's poverty reduction strategy and the CDM-Assist programme.

The CDM-Assist programme at the World Bank

Presented by the World Bank and the CDM-Assist programme

At this event, Ajay Mathur, World Bank, spoke about the Bank's strategy to integrate global climate change concerns with sustainable development objectives. He stated that the Bank's climate strategy is built on three pillars: quality of life; quality of growth; and the regional and global commons concept. These building blocks, he said, contain priority activities, such as improving health and livelihoods and reducing vulnerability. He highlighted the Bank's urgent concern about the adverse impacts of climate change, which it proposes to tackle through mitigation, adaptation and capacity-building projects. Mitigation will be addressed through energy sector reform and regional energy trade programmes, GEF funds for energy efficiency and renewable energy, and a prototype carbon fund (PCF); adaptation will be addressed through vulnerability assessments, impact mitigation projects, and vulnerability and adaptation funds; and capacity will be built by elaborating on National Strategy Studies and through the CDM-Assist programme.

Mangesh Hoskote, World Bank, emphasized the Bank's goal to reduce poverty by 50 percent by 2015. He highlighted a World Bank landmark study entitled "Voices of the poor: Energy and health," which underscores the links between poverty, energy and livelihoods in Uganda. He sketched out the Bank's poverty alleviation objectives in Africa and described the energy for rural transformation programme, which couples rural poverty reduction with job creation, health and education services, and renewable energy resources. Hoskote described the links between the Bank's poverty focus and the CDM-Assist programme, which aims to: enhance climate change capacity; negotiate, generate and transfer certified emissions reductions; stimulate private sector project investment; promote clean technology; and increase the supply of CDM projects. He noted that the CDM-Assist programme needs to establish appropriate management structures, develop work plans, improve donor coordination and develop project pipelines.

More information:

<http://www.worldbank.org>

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A new IMAGE on future emissions and climate impacts

Presented by the National Institute for Public Health and the Environment (RIVM)

This event presented the new IMAGE 2.2 model, which uses the latest IPCC Special Report on Emissions Scenarios (SRES) to analyze GHG emissions and climate change impacts from 1995 to 2100.

Detlef van Vuuren, RIVM, noted that the IMAGE model illustrates possible global development patterns over the next century, and indicates the climate change impacts that will result in the absence of strong climate change policy. He added that the IMAGE framework is based on a set of linked models. From his analysis of the IMAGE model, van Vuuren highlighted that: GHG emissions are related to developments and policies in several sectors; in each scenario, GHG emissions will increase over the next ten to fifty years, and the Kyoto targets will not be met; after 2050, emissions could increase five-fold, or decrease by half, depending upon the scenario; substantial co-benefits exist between sustainable development and climate change policy; and needs and opportunities for climate change mitigation differ across countries.

Bart Strengers, RIVM, discussed the relative importance of land-use emissions in the SRES. He stated that, in the absence of adequate climate policies, each scenario results in high levels of emissions. From his IMAGE model analysis, Strengers concluded that: land-use emissions are important; climate change will have negative impacts on ecosystems and mixed impacts on agricultural systems; despite many uncertainties, uptake by the biosphere and oceans plays an important role; and stronger climate policy is necessary.



Detlef van Vuuren, RIVM, states that the commitments contained in the Kyoto Protocol are insufficient to prevent climate change.

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Standardizing baselines for electricity, energy demand, heavy industry and transport projects

Presented by UNEP, OECD and the International Energy Agency (IEA)

This event presented the recommendations from a recent UNEP/OECD/IEA workshop on identifying feasible baseline methodologies for CDM and joint implementation (JI) projects.

Jane Ellis, OECD, explained that the workshop's aims were to: bring together a wide range of experts from Annex I and non-Annex I countries; outline issues relevant in baseline standardization for the electricity generation, energy efficiency, heavy industry and transport sectors; and develop recommendations on baseline methodologies in these sectors. She emphasized that, when standardizing baselines, one must determine clear project categories, geographical boundaries, the gases and sources to be included, standard units for baselines, and the crediting lifetime.

Paulo Manso, Costa Rican Office on JI, noted that the workshop's findings on standardizing baselines for electricity emphasized the need to distinguish between grid and off-grid projects, distinguish between new projects and retrofits, and fast-track small projects. The workshop recommended that: grams of CO₂ per kilowatt-hour be the baseline unit; all direct on-site GHG emissions be counted; and baseline lifetime be longer for small projects with extended lifetimes.

Martina Bosi, IEA, noted that, on baselines for energy demand, workshop participants recommended that baselines be calculated using energy use baselines and then translated into GHG emissions with relevant standard electricity baseline values. On baseline standardization, they concluded that calculation formulae can be standardized for different energy efficiency project types, and some parameters may be standardized, while others may require project-specific data. Participants also found that the baseline lifetime should be shorter than the technical lifetime, and baselines should only be updated for new projects.

Harald Winkler, University of Cape Town's Energy and Development Research Centre, outlined the workshop's conclusions on standardizing baselines for the cement, iron and steel industries. The workshop recommended: including "significant" direct and indirect emissions sources in the baseline; distinguishing between different production routes and potentially between different fuels; and using rate-based baselines. Regarding crediting lifetimes, they discussed offering investors a choice between a shorter lifetime with a fixed baseline or a longer lifetime that can be revised, and recommended that a plant operate for a minimum of five years before any baseline revisions.

Fanny Missfeldt, UNEP Collaborating Centre on Energy and Environment, said the workshop found that, in transport projects, rebound or cross-sectoral effects may be significant and should be accounted for in a standardized manner. To calculate baselines in the transport sector, the type of project must be identified, direct emissions calculated, and significant rebound effects attributed. The workshop identified challenges for standardizing baselines in transport, including: data availability and collection methods; appropriate boundary definition; identification and quantification of offsetting behavior; and the development of unit sizes and unit emissions reductions as building blocks for aggregating larger projects.



Jane Ellis, OECD, notes that an ideal baseline is environmentally credible, transparent and simple, and limits uncertainty.



Martina Bosi, IEA, says workshop participants agreed that baselines for energy demand should quantify environmental additionality and assess indirect effects such as spill-over and leakage.

More information:

<http://www.uccee.org>

<http://www.oecd.org/env/cc/mechanisms.htm>

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