



Special Report on Selected Side Events at COP 11 & Kyoto Protocol COP/MOP 1
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Events convened on Friday, 9 December 2005

Regional governments moving against climate change - Trans-Regional Alliance

Presented by the Network of Regional Governments for Sustainable Development



Esther Larrañaga, Minister for Environment and Planning, Government of the Basque Country, Spain, described her region's sectoral GHG emissions targets, and their strategy for sustainable development, energy, and climate policy

More information:

<http://www.nrg4sd.net>
<http://www.info.gov.za/aboutgovt/contacts/prov/wcape.htm>
<http://www.munlv.nrw.de>

Contacts:

Esther Larranaga <e-larranaga@ej-gv.es>
Bert De Wel <bert.de.wel@minaraad.be>
Ernst Christoph Stolper
<stolper@munlv.nrw.de>
Edoardo Croci <edoardo.croci@unibocconi.it>
Moreno Mugelli
<moreno.mugelli@regione.torana.it>
Steve Drummond <sdrummond@CO2e.com>

Esther Larrañaga, Minister for Environment and Planning, Government of the Basque Country, Spain, called for greater regional control over climate policies, allowing local specificities to be taken into account. She added that in the age of globalization, regions have an important role to play as they are aware of local realities.

Salvador Mila, Minister for Environment and Housing, Catalonia, Spain, described the Catalan Energy Plan, which intends to decouple growth from energy consumption, noting there are many gains to be achieved, especially in transportation and use of energy-efficient appliances. He described the importance of innovations in sustainable forest management and agriculture in minimizing emissions.

Bert De Wel, Flemish Environment and Nature Council, Belgium, described the participation of civil society in developing a long term strategy for climate change mitigation, including a declaration of intent and shared objectives.

Ernst Christoph Stolper, Sustainable Development Division, Government of North Rhine Westphalia, Germany, elaborated on a policy paper committing regional governments to promote renewable energy and regional instruments capable of enhancing de-carbonization, such as public procurement and education. He demonstrated the information sharing benefits achieved through the introduction of an internet portal.

Edoardo Croci, Bocconi University, Lombardy, Italy, presented the results of a study on the simulated impacts of carbon dioxide emission trading in his region. The model predicted minor emission reductions that may hinder productivity and growth, and cause fuel switching. He called for capacity building for industry on emission trading.

Moreno Muzelli, Tuscany Region, Italy, presented the San Rossore Initiative, aimed at broadening the scope of the EU ETS. He described obstacles currently precluding the participation of medium-sized firms, such as lack of industry awareness and high costs, and outlined the San Rossore Initiative's actions in that respect.

Steve Drummond, CO₂e, presented a broker's perspective on emissions trading, noting that price curves associated with emissions permit trading follow a predictable path once supply catches up with an initially greater demand.

Discussion: participants debated the relative merits of permit trading and carbon taxation. One panelist remarked that if a firm's behavior does not change, the permit trading system may have the consequences of a tax, from the firm's point of view.

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Argentineans sing to nature

Presented by the Argentinean Foundation of Etoecology

Karina Espanyol, Argentinean Foundation of Etoecology, emphasized the role of education in reversing environmental degradation and called for raising intellectual and spiritual levels amongst civil society. She noted that Etoecology is the study of a being's behavior in its environment, and that her organization seeks to support concrete actions such as water purification and planting of native trees.

She played a sample of "A Song to Nature", which is set to the tune of Beethoven's 9th Symphony. She emphasized the use of song to pacify Mother Nature, which has become angered by fossil fuel emissions polluting her being.

She recalled that Mother Nature has already demonstrated her capacity to retaliate for such actions through the infliction of natural disasters, such as Hurricane Katrina.

She drew attention to their efforts regarding communitarian gardens, educational workshops, and participation in the UNFCCC as an official observer.

Discussion: participants remarked that there is a paucity of good protest songs to be sung at environmental demonstrations, that celebrate mother nature.



Karina Espanyol, Argentinean Foundation of Etoecology noted that the celebration of nature is an ancient rite, and that recognition of nature as the work of the creator is something that all religions can agree on

More information:

<http://etoecologia.org.ar/>

Contacts:

Karina Espanyol <karinaespanol@gmail.com>
Etoecologia <info@etoecologia.org.ar>

Adaptive policy making for agriculture, water resources, and climate

Presented by the International Development Research Center, IISD and TERI

John Drexhage, IISD, noted that climate change is essentially about development in the context of environment and economy.

Simon Carter, International Development Research Center, explained that adaptation to climate change consists of people making changes critical to their own development, and provided examples such as mangrove rejuvenation by communities in Cambodia. He then introduced an IISD-TERI project focusing on adaptive policies.

Hank Venema, IISD, described the IISD-TERI project that examines the specific characteristics and mechanisms of adaptive policies and instruments.

Stephan Barg, IISD, noted that an adaptive policy is one that is robust in the face of foreseen circumstances, and adaptable to unforeseen circumstances. He presented a Canadian case study of Crow Rates, a subsidy for grain transportation.

Ulka Kelkar, TERI, outlined changes in India's crop insurance scheme as an example of adaptive policy.

Agus Sari, Pelangi, Indonesia, emphasized that an adaptive policy has to be process-based and bottom-up driven.

Frank Pinto, UNDP, noted some of the GEF adaptation activities, and highlighted that greater recognition has been accorded to adaptation at this COP.

Discussion: participants discussed the need for an adaptation regime within the convention that can link with national actions.



Ulka Kelkar, TERI, noted that the crop insurance policy in India has matured from a comprehensive insurance scheme to a weather index scheme that protects the overall income of the farmer instead of a specific crop yield

More information:

http://www.iisd.org/climate/canada/adaptive_policy.asp

Contacts:

John Drexhage <jdrexhage@iisd.ca>
Simon Carter <scarter@idrc.ca>
Stephan Barg <sbarg@iisd.ca>
Hank Venema <hvenema@iisd.ca>
Ulka Kelkar <ulkak@teri.res.in>
Agus Sari <apsari@pelangi.or.id>
Frank Pinto <frank.pinto@undp.org>
Preety Bhandari <preetyb@teri.res.in>

Lessons learnt from emissions trading implementation

Presented by the Fraunhofer Institute for Systems and Innovation Research

Karoline Rogge, Institute Systems and Innovation Research, reviewed the EU ETS, and identified lessons learned including: harmonizing definitions; reducing transaction and compliance costs; increasing transparency; avoiding disincentives for innovation; and providing the long term security needed by investors.

Regina Betz, University of New South Wales, Australia, reviewed monitoring guidelines and lessons learned during the EU ETS initial phase including: identifying and closing loopholes; reducing burdens on very small emitters; aligning verification systems to avoid competitive distortions; and developing more user-friendly versions of legal texts.

Hannah McCaughey, Baker and McKenzie Australia, said emerging legal issues include, *inter alia*: financial services regulations; tax policy; the nature of licenses; and tax treatment.

Regina Betz, University of New South Wales, Australia, reviewed new schemes for creating environmental markets in Australia and concluded that they are not as developed as the EU system. She said cheap coal has reduced incentives for energy efficiency and that the renewables price is so low it creates no incentive to trade.



L-R: Karoline Rogge, Fraunhofer Institute for systems and Innovation Research, Hannah McCaughey, Baker and McKenzie, and Regina Betz, Center for Energy and Environmental Markets reviewed lessons from recent studies of the EU ETS and several approaches to environmental markets in Australia

More information:

<http://www.isi.fraunhofer.de>
<http://www.ceem.unsw.edu.au>

Contacts:

Karoline Rogge <k.rogge@isi.fraunhofer.de>
 Regina Betz <r.betz@unsw.edu.au>
 Hannah McCaughey
 <hannah.mccaughey@bakernet.com>
 Sina Wartmann <s.wartmann@ecofys.de>

Arab Initiatives on renewable energy

Presented by Jordan

Sigmar Gabriel, Minister of Environment, Germany, noted that the side event is the first presented by an Arab country. He stated that Arab countries are influenced by climate change through lowered precipitation levels and sea-level rise. He stressed the Arab world's leading role in renewable energy use and called for enhanced cooperation in this field.

Malek Kabariti, National Energy Research Center, described the Trans-Mediterranean Renewable Energy Cooperation (TREC) as an important step towards a sustainable and peaceful world, using wind, hydro, biomass and geothermal energy optimization between Europe, north Africa and the near east.

Anwar Noaman, Ministry of Water and Environment, Republic of Yemen, discussed renewable energy potential in his country and recommended the establishment of a regional center for sustainable development.

Faouzi Senhaji, Research Group on Energy and Environment (GERER), described ongoing renewable energy development in Morocco, highlighting a solar energy project currently under CDM validation, which provided photovoltaic electricity to 110,000 houses.

Khaled Irani, Minister of Environment, Jordan, emphasized the potential of renewable energy in north Africa and the near east region, noting on-the-ground projects related to environmental, social and economic development. He encouraged regional and international cooperation in the field of renewable energy.



L-R: Malek Kabariti, (NERC), Khaled Irani, Minister of Environment, Jordan, and Sigmar Gabriel, Minister of Environment, Germany, discussed Arab initiatives on renewable energy

More information:

<http://www.bmu.de/allgemein/aktuell/160.php>
<http://www.nerc.gov.jo>
<http://moenv.gov.jo>
<http://undp.org>
<http://un.org>
<http://www.menarec.com>

Contacts:

Malek Kabariti <malek.kabariti@nerc.gov.jo>
 Anwar Abdulaziz Noaman
 <anwar.noaman@undp.org>
 Faouzi Senhaji <f.senhaji@jav.ca.ma>
 Khaled Irani <minister@moenv.gov.jo>
 Mohammad Reza Salamat <salamat@un.org>