



Special Report on Selected Side Events at COP 11 & Kyoto Protocol COP/MOP 1  
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## A Brief Analysis of the COP/MOP 1 Side Events

### INTRODUCTION

The recent entry into force of the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC), the launch of regional emission trading schemes as well as an unprecedented number of extreme weather events during 2005 set the stage for the side events at the UNFCCC COP 11 and COP/MOP 1.<sup>1</sup> In Montréal, delegates and other actors discussed the latest data, ideas and technologies presented by various climate experts, shared practical experiences and suggestions for implementing the UNFCCC and its Kyoto Protocol, and considered options for a future post-2012 climate change regime.

Overall, the discussions held at the well-attended side events were more concrete and technical than those taking place in the numerous contact groups of Montréal's Palais des Congrès.<sup>2</sup> Over 170 side events were held during the Conference, clustered around three main themes, namely: the Kyoto flexible mechanisms and mitigation; adaptation; and the future of the climate regime. This analysis examines the main issues and trends emerging from these presentations and discussions, organized around these three issue areas.

### KYOTO MECHANISMS AND MITIGATION: GETTING REAL ABOUT IMPLEMENTATION

The bulk of the side events focused on various facets of the Kyoto flexible mechanisms for reducing greenhouse gas emissions - Joint Implementation (JI), the Clean Development Mechanism (CDM) and emissions trading - and the larger issue of mitigation. This focus was reinforced by the fact that these

<sup>1</sup> "Wealth of poor nations threatened by climate change", presented by the World Bank, 6 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1708e.html>

<sup>2</sup> "No reason to wait," presented by Northeast States for Coordinated Air Use Management, 5 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1707e.html>

events enjoyed the highest attendance. Several underscored the complexities and ambiguity of the CDM process and called for its reform,<sup>3</sup> in particular through streamlining and simplifying, increasing effectiveness in developing countries,<sup>4</sup> private sector involvement,<sup>5</sup> and developing larger-scale projects. The adoption of the Marrakech Accords<sup>6</sup> on 30 November 2005 changed the tone of the discussions as it boosted certainty regarding investment in CDM projects that was welcomed by many. Another recurrent debate revolved around the recent CDM Executive Board decision not to include deforestation avoidance under the CDM,<sup>7</sup> an issue also discussed at the recent International Tropical Timber Council session.

Funding for the mechanisms was also a recurring topic, with the hopes of attracting more public and private investors in CDM or JI projects.<sup>8</sup> Other events focused on practical “how to” measures such as handbooks and guidelines.<sup>9</sup>

Mitigation discussions were as creative as CDM and JI discussions were practical. Diverse avenues for mitigation were explored, including: carbon sequestration;<sup>10</sup> energy efficiency across sectors; nuclear and renewable energy,<sup>11</sup> and action targets. Overall, the emerging message highlights that there are no silver bullets, and a portfolio of solutions is needed, along with more research and development, and better integration of climate mitigation into sustainable development policies. Yet, challenges of transitioning to a low-carbon economy, especially for the developing world, continued to raise concern.

### **MAINSTREAMING ADAPTATION**

Although adaptation did not get the lion’s share of events, COP 11 confirmed the rapidly growing interest in, and significance of adaptation to climate change. This was illustrated by the fact that panelists and participants in numerous events not specifically addressing adaptation recognized the need to mainstream adaptation into development policies.<sup>12</sup> Adaptation strategies presented discussed climate impacts from the viewpoint of climate change and variability, employing a variety of regional climate models to assess

<sup>3</sup> “Improving the functioning of CDM,” presented by the Center for European Policy Studies, 6 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1708e.html>

<sup>4</sup> “Africa and the CDM: Opportunities and Constraints,” presented by Malawi, 29 November 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1702e.html>

<sup>5</sup> “Climate Change: Why are forward-looking businesses taking action?,” presented by the UK, 3 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1706e.html>

<sup>6</sup> *Earth Negotiations Bulletin* Vol. 12 No. 283, Thursday, 1 December 2005 <http://www.iisd.ca/vol12/enb12283e.html>

<sup>7</sup> “Reduction of tropical deforestation and climate change mitigation,” presented by the Amazon Institute for Environmental Research, 2 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1705e.html>

<sup>8</sup> “Panama, where climate leverages businesses for sustainable development,” presented by Panama, 8 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1710e.html>

<sup>9</sup> “Preparing for climate change,” prepared by the University of East Anglia, 1 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1704e.html>

<sup>10</sup> “SBSTA-IPCC joint event on SRCS,” Presented by WMO/UNEP Intergovernmental Panel on Climate Change, 30 November 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1703e.html>

<sup>11</sup> “Geothermal energy: available technologies and techno-economic potential between 2008 and 2012,” presented by Energy Strategies, 1 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1704e.html>

<sup>12</sup> For example, during the side event “Arctic and Canadian vulnerability”, a Minister from Finland indicated that adaptation is an integral part of the 2005 Finnish climate strategy, which was not the case in 2001, <http://www.iisd.ca/climate/cop11/enbots/enbots1706e.html>. The Report of the Climate Dialogue at Pocantico also identified mainstreaming of adaptation to climate change as a priority, see “Beyond 2012 - a high level forum” at: <http://www.iisd.ca/climate/cop11/enbots/enbots1709e.html>

the future impacts. Several events addressed whether the application of indigenous knowledge or the use of climate models, or a combination of both, is the most appropriate approach for developing solutions for adaptation. This discussion spotlighted the need for validation of indigenous knowledge, such as that of the Inuits,<sup>13</sup> and the possibility of merging scientific and traditional knowledge for most effective community-based adaptation. These calls were reasserted by the highly attended Development and Adaptation Days, which took place halfway through the conference.<sup>14</sup>

Other recurring discussions centered on the link between adaptation, poverty alleviation and the status of least developed countries' National Adaptation Programmes of Action. In this context, the critical issue of the need for new and additional funding reemerged, as the stream for adaptation funding remains shallow.

The improved recognition of adaptation, both in side events and in Plenary, also signified a gradually warming friendship between the climate and development communities. On the other hand, the events underscored that much work still remains before development actually becomes "climate proof."

### **WHICH ROAD TO TAKE BEYOND 2012?**

Much discussion on the next steps focused on ways of promoting the widest possible participation in the future climate regime<sup>15</sup> and addressing the advancement of development goals in a sustainable way,<sup>16</sup> adaptation, engagement of big emitters and the deployment and stimulation of technology and markets.<sup>17</sup>

However, the architecture of specific pathways was characterized by uncertainties about whether Kyoto will remain the central mechanism, or just one approach of many under the umbrella of the UNFCCC.<sup>18</sup> Some of the suggested pathways include regional, sub-regional, and bilateral approaches based on, for example, sector-specific emissions pledges,<sup>19</sup> voluntary targets, intensity targets,<sup>20</sup> or greenhouse gas emissions trading schemes. Within these options, repeated calls were made for the need for a clear price signals for greenhouse gas emissions.<sup>21</sup>

<sup>13</sup> Unikkaaqatigiit-Book Launch, presented by Inuit Tapiriit Kanatami, Friday, 2 December, <http://www.iisd.ca/climate/cop11/enbots/enbots1705e.html>

<sup>14</sup> The Development and Adaptation Days identified the need to move from national adaptation policies to small-scale adaptation projects. A report of this conference is available online at: <http://www.iisd.ca/climate/cop11/dad/>

<sup>15</sup> "Beyond 2012 - a high level forum," presented by Pew Center on Global Climate Change, 7 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1709e.html>

<sup>16</sup> "Near-term shaping actions to achieve long-term climate protection goals," prepared by RAND, 1 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1704e.html>

<sup>17</sup> "Canada and the post-2012 climate change regime," presented by the International Institute for Sustainable Development, 3 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1706e.html>

<sup>18</sup> "Improving the functioning of CDM," presented by the Center for European Policy Studies, 6 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1708e.html>

<sup>19</sup> "Sectoral approaches for future international actions," presented by the Center for Clean Air Policy, 29 November 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1702e.html>

<sup>20</sup> "Action targets: a new form of commitment," presented by the Center for International Environmental Law, 1 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1704e.html>

<sup>21</sup> "Transitioning to a low carbon economy," presented by Canada's National Roundtable on Environment and the Economy, 28 November, 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1701e.html>

Enabling conditions for effective action under the UNFCCC and the Protocol also includes capacity building, technology transfer, joint technology research and development, improved data gathering, sharing and analysis, robust pricing mechanisms, and climate insurance for climate risks in emerging financial markets.<sup>22</sup>

While delegates in negotiating rooms were attempting to reach agreement on a future regime that would lead major “Kyoto absentees” to join the multilateral arena, non-federal entities within these absentee States were showcasing efforts to reduce greenhouse gas emissions, as exemplified by the cooperative agreement signed by California and São Paulo<sup>23</sup> and numerous emission reductions initiatives undertaken by US companies. In addition, a number of presentations by regions,<sup>24</sup> provinces<sup>25</sup> and cities<sup>26</sup> may well be a sign of growing leadership at these levels.

### **CONCLUSIONS: SIDE EVENTS’ POWERFUL MESSAGES TO THE NEGOTIATIONS**

As the meeting drew to a close on Friday, 9 December, agreement emerged on the need for a variety of approaches to engage carbon giants like the US, China, India and Brazil and leverage better private sector finance. There was also agreement that a stable long-term market mechanism with a clear carbon price signal was essential to all the voluntary and mandatory trading schemes, necessary for transitioning to a low-carbon economy. While plucking “low-hanging fruit” dominated action proposals to date, climate insurance is the elusive green fruit at the top of tree. Adaptation has clearly gained foothold as a significant theme, emphasizing the inherent connection between adjusting to climate change and development.

Former US President Bill Clinton made an appearance in Montreal on the last day of the Conference, calling on cities to take action against climate change. His presence highlighted the gap between the low-steam global negotiations and the ground swell of bottom-up leadership emerging from cities, local communities and regions.

Side events at COP 11 and COP/MOP 1 indicated that a parallel process is ongoing that is developing at a more rapid pace than the negotiations. While side events highlight concrete actions being taken and forward-looking thinking about the climate change challenge, the negotiations are limited to the lowest common denominator of official governmental agreement. That said, as hoped, the post-2012 negotiations did continue in plenary and it is hopeful that lessons learned in the side events will feed into governmental preparation for COP 12.

<sup>22</sup> “Enabling CDM in Asia and Pacific: Promotion of Renewable Energy, Energy Efficiency and Climate Change Abatement,” presented by the Asian Development Bank, 28 November 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1701e.html>

<sup>23</sup> “No reason to wait,” presented by Northeast States for Coordinated Air Use Management, 5 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1707e.html>

<sup>24</sup> “Experience of regional delivery organizations,” presented by Climate Change Central, 29 November 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1702e.html>

<sup>25</sup> “Implementation of the French action plan and the local climate plans on mitigation and adaptation,” presented by France, 8 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1710e.html>

<sup>26</sup> “Global cooling: cities take leadership,” presented by International Council for Local Environmental Initiatives, 8 December 2005, <http://www.iisd.ca/climate/cop11/enbots/enbots1710e.html>