



### Special Report on Selected Side Events at the United Nations Climate Change Conference - Bali

published by the International Institute for Sustainable Development  
in cooperation with UNDP and UNEP



Online at  
<http://www.iisd.ca/climate/cop13/enbots/>

Issue #7 | UN Climate Change Conference | 3-14 December 2007 | Bali, Indonesia | Tuesday, 11 December 2007

### Events convened on Monday, 10 December 2007

## Putting people first - making climate action work for development

Presented by the World Bank



Abdulla Shahid, Minister of Foreign Affairs, Maldives, called for the creation of a US\$10 billion climate fund for adaptation, with significant annual replenishments thereafter

Katherine Sierra, World Bank, introduced the documentary "Life Out of Balance: Climate Change in the Developing World," which describes climate change impacts on three people from three continents. She urged participants to ensure that climate negotiations are meaningful for the world's poorest.

Abdulla Shahid, Minister of Foreign Affairs, Maldives, stressed the need to address the human dimensions of climate change and elaborated on the development, humanitarian and human rights components of this approach. Shahid noted that this approach recognizes that those people most responsible for climate change differ from those who are most vulnerable to its impacts. He said his country will look to the World Bank for leadership and action on adaptation.

Masnellyarti Hilman, Minister of Environment, Indonesia, emphasized that climate change is a global problem that requires global solutions, and that all nations should fulfill their commitments based on their common but differentiated responsibilities. She outlined the unique risks faced by small island States, and highlighted specific initiatives within her country to address climate change impacts.

Sierra described some of the World Bank's strategies for addressing climate change, including embedding adaptation within the development process.

Yvo de Boer, UNFCCC Secretary-General, stressed that the IPCC reports have clearly shown that humans are responsible for climate change and said politicians must now respond. He highlighted four reasons why this response must be delivered in Bali, namely because: the next IPCC report and scientific message will only be available in five years; negotiating a post-2012 mandate will be time-consuming; a negotiating mandate can send an important message to the private sector; and climate change is a present reality and could undo development achievements. He called on parties to show direction in Bali even if an agreement is not reached until 2009.

Participants discussed: the World Bank's energy portfolio; the potential impacts of the Forest Carbon Partnership Facility on indigenous peoples and their right to prior informed consent; and the need to ensure that developing countries have the capacity to engage in negotiations on a post-2012 regime over the next two years.

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The *Earth Negotiations Bulletin on the side (ENBOTS)* © <[enb@iisd.org](mailto:enb@iisd.org)> is a special publication of the International Institute for Sustainable Development (IISD) in cooperation with the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP). This issue has been written by Alice Bisiaux, Suzanne Carter, Alexandra Conliffe and Peter Wood. The Digital Editor is Diego Noguera. The Editor is Soledad Aguilar <[soledad@iisd.org](mailto:soledad@iisd.org)>. The Director of IISD Reporting Services is Langston James "Kimo" Goree VI <[kimo@iisd.org](mailto:kimo@iisd.org)>. Funding for the publication of *ENBOTS* at the United Nations Climate Change Conference - Bali is provided by UNDP and UNEP. The opinions expressed in *ENBOTS* are those of the authors and do not necessarily reflect the views of IISD and funders. Excerpts from *ENBOTS* may be used in non-commercial publications only with appropriate academic citation. For permission to use this material in commercial publications, contact the Director of IISD Reporting Services at <[kimo@iisd.org](mailto:kimo@iisd.org)>. Electronic versions of issues of *ENBOTS* from the United Nations Climate Change Conference - Bali can be found on the Linkages website at <<http://www.iisd.ca/climate/cop13/enbots/>>. This issue of *ENBOTS* was published in Bali on recycled paper. The ENBOTS Team at the UN Climate Change Conference - Bali can be contacted by e-mail at <[alice@iisd.org](mailto:alice@iisd.org)>.

## Working with nature: water, wetlands, biodiversity and climate change linkages

Presented by the CBD

Jaime Webbe, Convention on Biological Diversity (CBD), emphasized that wetlands are a rich source of biodiversity and provide crucial ecosystem services that are under threat by various factors, including climate change. She outlined the CBD provisions on wetlands and on the cross-cutting issue of biodiversity and climate change, and stressed the need to raise awareness on the importance of wetlands biodiversity for climate change adaptation.

Pieter van Eijk, Wetlands International, underscored that wetlands perform critical services for climate change adaptation, such as: protection from storms and salt water intrusion; storage, regulation and purification of water; erosion control; and flood mitigation. He noted that wetlands degradation magnifies the impacts of climate change and called for the incorporation of wetlands management and restoration into adaptation strategies.

Claude Gascon, Conservation International, said the global freshwater system is under threat and highlighted the linkage between wetlands and human well-being. He called for: improving the understanding of climate impacts on freshwater species; and building the resilience of natural systems and the capacity to create early warning systems of climate change impacts. He presented the work of Conservation International in the Pantanal wetland and in Cambodia's Tonle Sap Basin.

Participants discussed: the role of wetlands in climate change mitigation; the importance of cross-sectoral and regional policies; and the possibility of drafting a code of conduct for wetlands.



Pieter van Eijk, Wetlands International, emphasized the link between the ecosystem services provided by wetlands and poverty alleviation

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## Adaptation with nature

Presented by The Nature Conservancy

Apu Suharsono, Research Centre for Oceanography, Indonesia, outlined impacts to corals, mangroves and seagrasses of rising temperatures, sea level rise, increased storm intensity and ocean acidification. He highlighted the consequences for the communities reliant on these ecosystems, including decreased tourism potential and loss of livelihoods and coastal protection.

Rodney Salm, The Nature Conservancy (TNC), said resilience is developed in marine protected areas by: spreading risks; identifying critical areas, such as bleaching-resistant coral communities; as well as ensuring connectivity in marine protected areas and effective management.

Emily Pidgeon, Conservation International, provided an example from the Galapagos Islands' response to the 1982/83 El Niño of how ecosystem resilience is reduced when other stressors, such as overfishing, interact with climate shocks.

Alejandro Arrivillaga, TNC, highlighted TNC activities in Central America, including: rapid reef assessments and eco-regional assessments that ensure adequate representation of marine protected areas throughout the region.

Paul Lokani, TNC, presented a project in Kimbe Bay, Papua New Guinea, which identifies resilient sites, and said effective management is key to successful implementation.

Elizabeth Taylor, Coralina, highlighted the multiple stressors on the Western Caribbean Oceanic Archipelago, and outlined policies to build resilience.

Discussion focused on: the cultural value of marine ecosystems; the increasing frequency and intensity of El Niño under climate change; and alternative livelihoods.



Rodney Salm, The Nature Conservancy, said nature's infrastructure provides multiple benefits including, shoreline protection, food, jobs, and in the case of mangroves, carbon sequestration

### More information:

<http://www.nature.org>  
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## Vulnerability of the World Protected Areas Network to climate change

Presented by Costa Rica

Sandy Andelman, Conservation International, introduced a report entitled "Vulnerability of the World Protected Areas Network to Climate Change" and said the core assumption that habitats and species will remain within the protected areas is undermined by climate change. She showed results indicating that 60% of the world's protected areas will be at risk to climate change impacts in the next 50 years and presented a map showing that large areas in the Amazon and Congo will become at risk by 2050, due to climate change.

Guy Midgley, South African National Botanical Institute, outlined wild ecosystems' three responses to climate change: acclimation; adaptation and assembly. He highlighted: the lack of observations in the tropics; the need to test the feasibility of ecological corridors; and the importance of linking into the Nairobi Programme of Work on Adaptation.

Carlos Rodriguez, Conservation International, emphasized the complexity of forest issues and stated that the Adaptation Fund is unlikely to prioritize protected areas over an economic focus. He said new mechanisms such as REDD could compensate for environmental services.

Participants discussed: the complexities of the REDD policy discussions; ecological corridors; the current stressors of habitat fragmentation; and livelihood effects of decreased biodiversity.



Guy Midgley, South African National Botanical Institute, lamented a lack of funding for projects on ecosystem and species-level responses to climate change impacts

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## SFM to reduce deforestation and forest degradation in the tropics

Presented by the International Tropical Timber Organization

Emmanuel Ze Meka, ITTO, noted ITTO's role in promoting sustainable forest management (SFM) and translating policy discussions into action.

Masahiro Amano, Waseda University, cautioned that focusing solely on forests' ability to sequester carbon may lead to the conversion of natural forests to fast-growing plantations, and called for the recognition of other values such as biodiversity.

Tasso Azevedo, Brazilian Forest Service, noted that 15% of the Amazon has disappeared in the last 30 years, releasing approximately one billion tons of carbon dioxide per annum, and highlighted progress achieved through Brazil's Action Plan to Prevent and Control Deforestation.

A.H. Zakri, UN University, presented on the Millennium Ecosystem Assessment, highlighting a precipitous decline in global ecosystem services over the past 50 years.

Hermayani Putera, WWF-Indonesia, described the ITTO's role in supporting community-based conservation of the ecologically rich Betung Kerihun National Park, Borneo, noting civil society's strengthened ability to combat illegal logging.

Etienne Nkomo, Ministry of Forest and Wildlife, Cameroon, presented on an ITTO-supported biodiversity conservation project in Cameroon and Gabon and described protection and development approaches employed.

Carmenza Robledo, Intercooperation Switzerland, noted that few climate change mitigation options presented by forests have been considered to date. She encouraged the designation of "permanent forest estates" to be managed according to SFM principles, and stressed the need to tailor incentives to counter local drivers of deforestation.

Participants discussed the potential costs of further delaying action on REDD, and the costs of implementation.



Zakri, UNU-IAS, cautioned that the drivers behind the decline in the world's ecosystems are intensifying

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## Financing and mainstreaming of adaptation to climate change: priorities and prospects

Presented by IGES

Hironori Hamanaka, Institute for Global Environmental Strategies (IGES), called for further efforts in the field of adaptation, which he said is a pressing development issue. He underlined that the funds available under the current climate regime fall short of meeting adaptation needs.

Ancha Srinivasan, IGES, reported on the results of the stakeholder consultations carried out by IGES on adaptation to climate change in 2007. He outlined barriers for mainstreaming climate change adaptation, including: lack of awareness and capacity; environment ministries' limited leverage on agriculture and water management policies; heavy reliance on structural and technical options; and inappropriate means to connect stakeholder interests and climate change impacts. On financing, he underlined that many future climate impacts and their costs are still uncertain and provided an overview of fundraising proposals for adaptation.

Ian Noble, World Bank, presented on the World Bank's adaptation activities in Asia and noted that a proposal to increase the funds for climate change impacts is currently being discussed at the Bank's replenishment meeting. He noted the uncertainties related to the estimates of adaptation costs.

Masato Kawanishi, Japan International Cooperation Agency (JICA), stated that JICA is mainstreaming adaptation in its operations by integrating climate considerations into its project design and funding research on climate change. On JICA's assistance for adaptation in developing countries, he noted that many development projects contribute to adaptation and highlighted the organization of a training course for policy makers in 2008.

Monirul Mirza, University of Toronto, stressed the vulnerability of the Asian water sector to climate change and called for greater involvement from industry in adaptation activities.

Aree Wattana Tummakird, Ministry of Natural Resources and Environment, Thailand, outlined some suggestions on possible mechanisms for mainstreaming adaptation, such as establishing a non-profit regional re-insurance mechanism.

Pamposh Bhat, GTZ-India, identified the water and agricultural sectors as the most affected by climate change in the Asia Pacific region.

Tae Yong Jung, Asian Development Bank, called for more regionalized and localized scientific findings on the impacts of climate change.

Participants discussed: GEF's funding of adaptation activities, the World Bank's adaptation activities in India, the "Cool Earth 50" initiative; and local communities' involvement.



Hironori Hamanaka, Institute for Global Environmental Strategies, explained that climate policy is a major area of research for IGES and highlighted that climate change is already affecting a large number of ecosystems and people



Ian Noble, World Bank, indicated that New Zealand and the UK are supporting an analysis on the costs of adaptation

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## The Role of the WTO in supporting climate change mitigation and adaptation efforts

Presented by the WTO

Vesile Kulaçoğlu, World Trade Organization (WTO), described the intersection between the multilateral trading system and climate change mitigation efforts. She highlighted aspects of different approaches proposed by WTO member countries for the liberalization of trade in “environmental goods,” adding that consensus has yet to be achieved on the scope of this term. She described “list-based,” “project-based” and “integrated” approaches, noting difficulties associated with “dual use” products, which could be used for non-environmental purposes.

Kulaçoğlu highlighted a recent EC/US proposal that would give priority to climate change mitigation as an environmental objective, and liberalize trade in climate-friendly products and services by 2013. Commenting on criticism that biofuels should have been included in this list, she noted that ethanol is classified as an agricultural good.

Muthukumara Mani, World Bank, said there are important opportunities for transferring environmentally-friendly technologies to developing countries that will be critical to realizing emission reductions. He reported on a World Bank study that looked at the potential for removing tariffs on technologies associated with “clean” coal, wind, solar, and energy efficient lighting. He noted that developing countries are also large exporters of clean technologies.

Doaa Abdelmotaal, WTO, described potential linkages between the WTO’s agenda and efforts to combat climate change. She said there is a range of opinions as to whether WTO rules can be used to offset competitive disadvantages created by Annex I’s domestic regulations aimed at curbing emissions.

She then discussed how WTO’s “toolbox” could be used to tackle climate change, including rules on subsidies and the principle of non-discrimination. Regarding the carbon footprint of internationally-traded products, she stressed the need to take into consideration the total life cycle of a product, and urged a case-by-case empirical analysis. She cautioned against a unilateral approach that could lead to a “spaghetti bowl” of trade measures.

Participants discussed: the inability of the free market to address climate change; the WTO’s environmental track record; fossil fuel subsidies; and the ability of the Agreement on Trade-Related Aspects of Intellectual Property Rights to deliver the benefits of environmentally-safe technologies to developing countries.



Muthukumara Mani, World Bank, addressed concerns that implementing emission reductions will result in relocation of industries to non-Annex I countries



Doaa Abdelmotaal, WTO, said the Doha round of negotiations has the potential to address climate change issues, and added that ethanol and biodiesel tariffs will be addressed during this round

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L-R: Vesile Kulaçoğlu, WTO; Doaa Abdelmotaal, WTO; and Muthukumara Mani, World Bank

## GHG emissions from aviation and maritime transport - from the seminar in Oslo 4-5 October 2007

Presented by Norway

Marit Viktoria Pettersen, Ministry of the Environment, Norway, noted that GHG emissions from international aviation and shipping are growing faster than in any other sector, yet are not covered under the Kyoto Protocol. She stressed that under Article 2.2. of the Kyoto Protocol, Annex I parties should work through the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO) to reduce emissions but that these organizations have yet to agree on a regulatory framework or mechanism.

André Jol, European Environment Agency, presented key conclusions from the October 2007 Oslo Technical Workshop on Emissions from Aviation and Marine Transport, including that: no significant technical issues related to emissions inventory monitoring and reporting are unsolvable; and inclusion of aviation and transport in a future regime is mainly a political issue.

Miguel Palomares, IMO, emphasized the importance of international shipping to the global economy. He said a Steering Committee is updating the 2000 IMO GHG Study and has established a working group to consider technical, operational and market-based approaches to reducing GHG emissions, with results expected by mid-2009.

Pettersen then presented Norway's proposed "cap-charge-trade" system for international maritime transport.

Stefan Seum, Stefan Seum Consulting, explained how he applied ecological effectiveness, economic efficiency, fairness and justice, administrative burden, and political feasibility criteria to assess the Subsidiary Body for Scientific and Technological Advice's (SBSTA) options on national allocation schemes for international maritime transport. He described reasons why a national allocation scheme is not feasible, and discussed three possible sectoral approaches, including the Norwegian proposal.

Jakob Graichen, Öko-Institute, outlined national allocation and sectoral approaches for including aviation in a post-2012 regime. He explained that the feasibility of starting in a single region and later expanding to a global level was examined for each approach. He said SBSTA's options by fuel and by route are possible for a national allocation approach and discussed sectoral approaches.

Participants discussed: alternative fuels for maritime and aviation transport; how proposals would affect other transport modes; and perverse incentives that could result from differentiated controls for Annex I and non-Annex I countries.



Marit Viktoria Pettersen, Ministry of the Environment, Norway, described her country's proposed "cap-charge-trade" scheme for international marine transport, with some of its revenue being directed towards adaptation projects and within-sector GHG improvements



Miguel Palomares, IMO Secretariat, noted that shipping activity is governed by the global demand for ship-borne trade rather than by the shipping industry itself

### More information:

<http://www.iisd.ca/ymb/sdosl>  
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