



Special Report on Selected Side Events at UNFCCC COP-8
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Events convened on Tuesday, 29 October 2002

Living with risk in a changing climate

Presented by International Strategy for Disaster Reduction (ISDR)



Alan Thomas, WMO, highlights the activities of GCOS for climate-related disaster management.

Benito Müller, Oxford Institute for Energy Studies, presented data on weather-related disaster trends for 1975-2001, stressing that large disasters mostly occur in Asia and Oceania, and that in 2030, 50 million people will be affected by climate-related disasters.

Alan Thomas, World Meteorological Organization (WMO), noted that many natural disasters are weather and climate-related and stressed the WMO's role in disaster management, including mitigation and prevention, preparedness, response and recovery. He highlighted that the WMO co-sponsored the Global Climate Observing System (GCOS), a mechanism aimed at: gathering data; monitoring and detecting climate change; and assessing climate change impacts and global observing systems.

Thomas Loster, Munich Reinsurance, outlined the role of insurance and reinsurance companies in coping with natural disasters, through, *inter alia*, risk assessment and awareness raising. Stressing that developing countries represent only 10% of the insurance market but account for 85% of the population, he called for public-private partnerships to help the poor deal with disaster-related losses.

Kamal Kishore, UNDP, explained the global move from preparedness and response approaches to integrated risk management. He highlighted the need for integrated community-based disaster management. Emphasizing the shortcomings of international data sets, he called for the increased use of national data sets, consistent recording over long periods of time, developing common reporting standards and methods for assessing losses, capacity building and training.

Yvonne Klynman, International Federation of Red Cross and Red Crescent Societies, outlined local activities of the Red Cross Federation Disaster Reduction Programme in South Asia and East Africa, including: identifying and mapping risks; contingency planning; and training on first aid, early warning and data collection. She called for, *inter alia*, small funds over long periods of time, and more research on disaster management and risk in the Fourth IPCC Assessment Report.

Madeleen Helmer, Netherlands Red Cross, stressed the increased urgency for disaster preparedness and described the Centre on Climate Change and Disaster Preparedness' work to promote action, advocacy and awareness. She noted five regional assessment projects aimed at strengthening community resilience to climate-related disasters.

Holger Hoff, International Secretariat of the Dialogue on Water and Climate, introduced the Dialogue on Water and Climate initiative, which aims to improve the capacity of developing countries to cope with climate change and variability impacts through, *inter alia*: awareness raising; identification of vulnerability hot spots; development of knowledge bases; and information network building.

More information:

<http://www.oxfordclimatepolicy.org>
<http://www.wmo.ch/web/gcos/gcoshome.html>
<http://www.undp.org/erd/disred/>
<http://www.ifrc.org>
<http://www.waterandclimate.org>

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Climate policy dialogues in Asia

Presented by the Institute for Global Environmental Strategies (IGES)



Akio Morishima, IGES, says the Climate Change Project is the most important research area of IGES.

Akio Morishima, IGES, stressed the importance of engaging all stakeholders in policy dialogue to increase understanding of climate change in Asia.

John Christensen, UNEP Collaboration Centre on Energy and Environment (UCCEE), noted collaboration between IGES and UCCEE in organizing a series of international workshops on climate change.

Tae Yong Jung, IGES, noted that IGES/UCCEE workshops aim to encourage collaboration and identify commonalities and differences between the needs of Asian countries with respect to climate change. He emphasized that: Asian countries have diverse circumstances and interests; linkages between climate policy and energy policy are necessary; and political will and public awareness on climate change are important for implementing climate policy in developing countries.

Huaqing Xu, Energy Research Institute, stressed the importance of choosing development paths that result in low emissions. He discussed energy efficiency and energy conservation in China, and the need to enhance sinks and improve China's energy strategy and living standards.

Shuzo Nishioka, National Institute for Environmental Studies, highlighted the need for dialogue among all stakeholders before discussions begin on moving beyond the Kyoto Protocol. He noted that adaptation and the CDM are win-win opportunities.

Wha-Jin Han, Korea Environment Institute, addressed the relationship between climate change and sustainable development, and ways to facilitate developing country participation in climate change-related processes to improve the climate regime's environmental effectiveness. In this regard, she called for incentives, flexibility, and commitments that do not impair economic development.

John Byrne, Center for Energy and Environmental Policy, stressed the need to consider equity principles when devising future commitments, and the importance of harmonizing climate policy with energy policy and sustainable development objectives.

Erik Haites, Margaree Consultants, highlighted the importance of Asia in the climate change context, because of, *inter alia*, its significant size and population, diversity, greenhouse gas (GHG) emissions, economic and energy structures, and vulnerability. He lauded China's achievement in reducing emissions despite rapid economic growth.

Rajendra Pachauri, Tata Energy Research Institute, emphasized that CDM projects should contribute to sustainable development in developing countries and stressed the need to mobilize local stakeholders in defining sustainability. He called for technology transfer accompanied by institutional changes that are relevant for developing countries and driven by demand.

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Highlights from recent IEA work on energy and climate change

Presented by the International Energy Agency (IEA)

Jonathan Pershing, IEA, presented IEA's publication on carbon dioxide statistics, highlighting trends in world carbon dioxide emissions by: region, *per capita*, unit of gross domestic product, Kyoto Protocol Annex I listing, sector, and fuel used. He introduced a publication on energy-related policies and measures (PAMs) undertaken by IEA member countries, noting an increased use of voluntary agreements and tradable permits.

Martina Bosi, IEA, outlined GHG implications of international energy trade for 1990-1999. She noted that energy imports increased by 40% and energy exports by 25%, highlighting that although this contributed to increasing GHG emissions, the increase was less than if locally produced.

Carmen Difiglio, IEA, presented indicators to assess impacts from energy activities and to establish energy efficiency targets. He identified indicators based on human and economic activity levels and on energy intensity developments.

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Kelly Thambimuthu, IEA, explains the carbon dioxide post-combustion capture system as an alternative to achieve a zero-emissions target.

Highlights from recent IEA work on energy and climate change

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He emphasized the need for indicator disaggregation and outlined a project on bus transport system assessments in various countries, highlighting an increased use of clean diesel fuel, possible management approaches, and the "Bus Rapid Transit" alternative.

François Cattier, IEA, presented the World Energy Outlook 2002, drawing attention to: expected growth in energy demand; continued energy-related carbon dioxide emissions growth; a growing proportion of carbon dioxide emissions from developing countries; and increased use of fossil fuels. Stressing that current policies will lead to a 15% increase over 1990 emissions levels, he said new PAMs are required to achieve the Kyoto Protocol targets.

Kelly Thambimuthu, IEA, proposed technology options for a zero-emissions target through carbon dioxide capture and storage. He highlighted post-combustion capture, oxy-fuel combustion and pre-combustion decarbonization, noting that: they are complementary to other options; their costs need to be reduced; and environmental assessments need to be performed.

Cedric Philibert, IEA, introduced the book "Beyond Kyoto: Energy Dynamics and Climate Change". He said reluctance to and cost uncertainties associated with current binding targets and PAMs can be addressed by making the achievement of the lowest possible concentration levels conditional upon costs. He noted alternatives, including: the price cap system; non-binding targets; the zero price cap alternative; and the dynamic target option. He called for deeper, more flexible measures.

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Calculating reductions of carbon dioxide and other air pollutants: A software tool for state and local governments

Presented by the State and Territory Air Pollution Programme Administrators/Association of Local Air Pollution Control Officials (STAPPA/ALAPCO) and the International Council for Local Environmental Initiatives (ICLEI)

Kenneth Colburn, Northeast States for Coordinated Air Use Management, highlighted that some US States have set emissions targets.

Amy Royden, STAPPA/ALAPCO, noted an array of effective opportunities at the State and local levels for reducing GHG emissions and other air pollutants, including ozone, particulate matter, sulfur dioxide and carbon monoxide. She highlighted the development of ICLEI and STAPPA/ALAPCO's Clean Air and Climate Protection Software, a tool that enables planners and policy makers to select control strategies that achieve emission reductions of both air pollutants and GHGs. She explained that the software is useful for forecasting emissions, evaluating policies, preparing action plans and quantifying results.

James Yienger, ICLEI, demonstrated the software, noting that it is user-friendly and Windows-based. He said the software assists municipalities to develop inventories, evaluate measures, and compare against targets. He explained that the software uses emission coefficients to compute emissions, and that the software can be customized for application in any country.

Ross Anderson, Mayor of Salt Lake City, explained that when US President Bush decided to abandon the Kyoto Protocol, several US cities responded by making commitments to reduce their GHG emissions. He highlighted that Salt Lake City intends to abide by the Kyoto Protocol, and aims to reduce the city's emissions to 7% below 1990 levels, or 21% below 2001 levels. He noted that measures taken by Salt Lake City in 2002 have reduced corporate emissions by 1,028 tons of carbon dioxide equivalent, and waste-related emissions by 47,245 tons. He stressed that the Clean Air and Climate Protection Software is invaluable for Salt Lake City's efforts in pursuing its emission reduction target.



James Yienger, ICLEI, says 300 municipalities are using the software.

More information:

<http://www.cleanairworld.org>
<http://www.iclei.org>
<http://www.nescaum.org>

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Engaging the private sector in the CDM

Presented by the World Business Council for Sustainable Development (WBCSD) in collaboration with UNDP, British Petroleum (BP) and the International Emission Trading Association



Arun Kashyap, UNDP, says that capacity development and the creation of enabling environments are necessary for the success of CDM projects.

More information:

<http://www.wbcd.org>

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Giles Mackey, BP, outlined a project in Brazil providing solar equipment, training local workers, and encouraging local entrepreneurs to engage in renewable energy initiatives. He reviewed the project's baseline, contributions to sustainable development, and plans for verification and monitoring, and stressed that BP plans to reinvest certified emission reductions (CER) profits back into the project to assist in project maintenance. He said high transaction costs and market uncertainty will slow the promotion of CDM solar projects and that incongruent host country approval processes, additionality issues, and conflicting priorities will be constraints. He recommended: the integration of the CDM into normal business practices; the consolidation of host government approval functions in a single entity; and guidance on sustainable development criteria.

Toby Campbell-Colquhoun, Shell, outlined some of Shell's CDM-related initiatives, stressing the need to overcome commercial, technical, and project-specific barriers to implementation. He underlined challenges encountered by project developers, including: the lack of price certainty; the timing of CER issuance; transaction costs; contractual issues; creation of designated national authorities; accreditation of operational entities; and approval of baseline methodologies.

Arun Kashyap, UNDP, said CDM projects must be integrated into national strategies for poverty eradication, new knowledge and needs must be included in policy making and implementation, and integrated and innovative approaches must be included in the CDM. He stressed the urgent need for capacity development and enabling environments for reducing risks and attracting private sector investments and the need for geographic and project equity through the promotion of small-scale CDM projects.

Discussion: Participants discussed issues including: whether host country policy initiatives could raise additionality barriers; the disposal of used batteries from solar projects; local community involvement in projects; sustainable development standards to be applied by host countries; and the sustainable development benefits of small-scale CDM projects.

Designing definitions and modalities for LULUCF projects in the CDM

Presented by the Center for Clean Air Policy (CCAP)



Catherine Leining, CCAP, outlines proposals relating to non-permanence modalities for LULUCF projects in the CDM.

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Catherine Leining, CCAP, explained the issue of non-permanence in land use, land-use change and forestry (LULUCF) projects in the CDM. She reviewed and compared two recent proposals before the Conference of the Parties on modalities to address non-permanence: the EU proposal for the issuance of temporary certified emissions reductions (TCERs); and the Canadian proposal for the issuance of insured CERs.

Jesper Jørgensen, Danish Forest and Nature Agency, explained that the EU proposal aims to ensure the environmental integrity of LULUCF projects in the CDM through checks every five years verifying that carbon losses are replaced, and by maintaining liability with Parties themselves.

Darren Goetze, Environment Canada, stressed that the Canadian proposal balances environmental integrity and economic efficiency. He said liability under the Canadian proposal is tied to specific projects, and that the proposal uses CDM monitoring and registration procedures set out in the Marrakesh Accords. He noted that the two proposals may be suitable for different types of LULUCF projects in the CDM and could co-exist.

Javier Blanco, Colombia, explained that the idea of TCERs was initially proposed by Colombia in 2000, and highlighted differences between the EU and Canadian proposals, including the timing of lost carbon replacement and incentives for long-term projects.

Jeff Fiedler, Natural Resources Defense Council, referred to the Climate Action Network's submission on non-permanence and examined the EU and Canadian proposals, based on the need for periodic verification and the need for full replacement of carbon losses. He called for clear liability rules, raised concerns over insurer involvement, and stressed the need for accounting rules that facilitate permanence and sustainable development.