ENB on the side

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Events convened on Thursday, 12 June 2003

Developing a post-2012 policy architecture

Presented by the Fridtjof Nansen Institute

Kristian Tangen, the Fridtjof Nansen Institute, says international climate policy should be based around the development of a linked multi-treaty system.

More information:
http://www.hwwa.de/climate.htm
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Taishi Sugiyama, Central Research Institute of Electric Power Industry, proposed the creation of several issue-specific legal instruments focusing on monitoring, scientific cooperation, renewable energy and adaptation, among others, both within and outside the UNFCCC framework. Sugiyama underlined his proposal's benefits, including increased cooperation among like-minded parties and active stakeholder involvement in the process.

Axel Michaelowa, Hamburg Institute of International Economics, said policy makers should aim at an atmospheric carbon dioxide concentration target of 550 ppm to be reached in the first half of the next century. To achieve this target, he said non-Annex B countries that surpass a "graduation threshold" must take up emissions targets, which would be differentiated based on national circumstances. He noted that Annex B countries would be obliged to considerably intensify mitigation efforts and that targets would be based on reductions from "business as usual" levels.

Jiahua Pan, Chinese Academy of Social Sciences, stressed that human development, rather than caps and reductions, should be the primary consideration when developing climate policy. Noting that once development potentials are realized, emissions reductions will be automatic, he underlined the need to, *inter alia*: assess development needs; concentrate on country-specific circumstances; reduce wasteful consumption; and focus on the UN Millennium Development Goals.

Kristian Tangen, Fridtjof Nansen Institute, proposed the development of a linked multi-treaty system with differentiated rights and duties, and graduation thresholds to stimulate technological change. Noting that the system would be based on three primary treaties focusing on reporting, support, and trading, he outlined the proposed rights and duties of parties to each treaty and said that caps under the trading treaty could be set based on reductions from “business as usual” levels.

Discussing the points raised in the four scenarios presented above, Agus Sari, Pelangi, stressed the importance of global participation in international climate policy, the need to differentiate among countries by addressing country-specific circumstances, the value of focusing on development and economic growth, and the need for an integrated framework of mitigation and adaptation mechanisms. Niklas Höhne, Ecofys, emphasized that the Kyoto Protocol should be retained and stressed the need for differentiated caps among countries, a balanced approach focusing on development and emissions targets, and incentives for participation.

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International Conference for Renewable Energies

Presented by the Delegation of Germany

Josef Gamperi, Strategy and Policy Department for Development Cooperation, underscores the importance of financial and technical assistance for promoting renewable energy in developing countries.

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http://www.bmu.bund.de
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Norbert Gorißen, Germany's Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), informed participants of the forthcoming International Conference for Renewable Energies, to be held in Bonn, Germany, 1-4 June 2004 at the International Congress Centre, and organized by BMU and Germany's Ministry for Economic Cooperation and Development. He highlighted that the Conference aims at, inter alia: defining the role for renewable energy, sustainable development and energy efficiency; assessing best practices for promoting renewable energy, including political targets; addressing international financial initiatives for the promotion of, and investment in, renewable energy sources in developing countries; and establishing an international action plan, guidance for benchmarks, and good governance. Highlighting intense discussions on establishing a target for global renewable energy sources at the World Summit Sustainable Development, Gorißen said more than 80 countries formed the Johannesburg Renewable Energy Coalition and committed themselves to promote renewable energy.

Josef Gamperi, Strategy and Policy Department for Development Cooperation, addressed how the German Development Cooperation is promoting renewable energy in developing countries. He underscored that this cooperative effort involves the fostering of financial and technical assistance. Gamperi highlighted the objectives of promoting sustainable energy, including: cost efficiency; security of supply; avoidance of local and regional environmental damages; global climate protection; and poverty reduction. Underscoring the existence of trade-offs when addressing such goals, he recommended, *inter alia*: decoupling energy demand from economic growth, and reducing negative environmental and health impacts relating to energy production and use. Gamperi noted the barriers faced in the development of renewable energy technologies, including: high upfront costs; low purchasing power of end-users; weak political support; and high transaction costs for product marketing. He concluded that to promote renewable energy, there is a need for: stronger financial instruments; reduced costs; and better enabling environments.

The greenhouse gas protocol in the real world

Presented by the World Business Council for Sustainable Development (WBCSD)

Kjell Ören, WBCSD explained that the greenhouse gas protocol is a joint WBCSD/World Resources Institute (WRI) initiative, that aims to develop internationally-accepted accounting and reporting standards for private sector greenhouse gas emissions.

Simon Schmitz, WBCSD, explained that the greenhouse gas protocol initiative is a multi-stakeholder process that brings together experts to develop greenhouse gas standards. He said the corporate standard for greenhouse gas emissions consists of greenhouse gas protocol standards and guidance, and calculation tools.

Mahua Acharya, WBCSD, explained that the purpose of the project accounting standard is to: simplify the quantification process while improving quality and credibility; reduce transaction costs and uncertainty for project developers; increase accounting consistency between different trading schemes; and increase investor confidence.

Jerry Marks, International Aluminium Institute, described the Institute's collaborative effort with the WBCSD, WRI, and the US Environmental Protection Agency (EPA) in developing a protocol for measuring emissions from the aluminum industry. He highlighted the aluminum industry's achievement in reducing its electricity requirements to 37% below 1950 levels, and noted that work needs to be done to educate industry, regulators and other stakeholders on utilization of the standard for greenhouse gas inventory purposes.

Maurice LeFranc, US EPA, outlined the EPA's voluntary Climate Leaders Partnership, which encourages comprehensive climate change strategies and represents an important component of the US climate plan. He explained that partners must

(Continued on page 3)

Simon Schmitz, WBCSD, provides an overview of the WBCSD/WRI greenhouse gas protocol initiative.

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The greenhouse gas protocol

(Continued from page 2)

complete an annual greenhouse gas inventory and set a five to ten-year emission reduction goal that is considered aggressive within its sector.

Mark Akhurst, British Petroleum (BP), highlighted that BP created its own protocol and measurement guidelines that are consistent with those of WBCSD/WRI, and noted that the company aims to make its experiences available to others.

Kai-Uwe Schmidt, UNFCCC, outlined the process used by the Clean Development Mechanism (CDM) Executive Board to establish standards and guidance, and explained how the greenhouse gas protocol could be used by the Board.

Mark Barthel, British Standards Institution, explained that an International Organization for Standardization (ISO) working group on climate change has developed a new international standard for quantifying, reporting and verifying entity and project-level greenhouse gas emissions and removals. Fred Hencks, the VDI Association of Engineers, explained that CEN is the European committee for standardization. He presented arguments in favor of a reference to the EN standard in EU monitoring guidelines, noting that harmonization would facilitate comparability and accuracy of emissions reporting.

National Strategy Studies Program: recently completed and ongoing studies

Presented by the Delegation of Switzerland

Peter Kalas, World Bank, reviewed the status of the National Strategy Studies (NSS) Program, reviewing progress on work in Peru, the Ukraine, China and Uruguay. He stated that since UNFCCC COP-8, workshops have been held in Vietnam, Uruguay, Peru and the Ukraine, a CDM negotiation skill training programme has been completed and a NSS website tool has been launched for adoption by interested States. He outlined upcoming NSS activities, including workshops in Chile and China, a regional NSS workshop for Asia on forestry issues, and the ongoing development of a carbon simulation model. He then showed a video highlighting the opportunities afforded by the CDM for Peruvians and noted that the NSS Program will be phased out in February 2004.

Maria Paz Cigaran, Peru's National Environmental Council, reviewed the NSS in her country for the implementation of the CDM. She noted that activities developed for the NSS included analysis of: existing information; greenhouse gas mitigation options; the global carbon market; national legal and institutional CDM frameworks; financial aspects of CDM implementation; applied methodologies for Peruvian CDM projects; and the Peruvian CDM strategy, policies and action plan. Paz outlined the institutional structure for CDM implementation and the key factors for the CDM strategy: information dissemination; capacity building; and capital and technology investment. She said a portfolio of 25 CDM projects has been developed and underlined that a procedure has been put into place for national approval of CDM projects to be determined within 45 days of application.

Lu Xuedu, China's Ministry of Science and Technology, reported on the NSS on the methodologies and application of the CDM in his country, stating that its objectives are to enhance capacity on CDM techniques and methodologies, policy making and implementation. Andreas Oberheitmann, Rhine-Westphalia Institute for Economic Research, reviewed China's NSS methodology studies examining baselines, leakage, and additionality, and he outlined case studies on which the studies focused. Othmar Schwank, INFRAS, reviewed the abatement potential and global carbon market analyses completed under the Chinese NSS, assessing, *inter alia*: global carbon trading supply and demand based on selected scenarios; potential certified emission reduction (CER) supply in China; impacts of the CDM on economic development; and capacity building opportunities. He said the CDM can contribute to China's economic development by extending foreign investment, localizing advanced technologies and improving technology efficiency. Xuedu outlined future plans to increase business sector networking and awareness, academic knowledge, and technical support for CDM implementation.

Discussion: Participants raised questions relating to, *inter alia*, Peru's quick approval process for CDM projects, national criteria used in Peru for CDM projects, the assessment of confidential information, rules regarding sinks, and stakeholder participation requirements.

Maria Paz Cigaran, Peru's National Environmental Council, describes how the NSS in Peru has analyzed the development of institutional arrangements for implementation of the CDM in her country.

More information:

http://www.worldbank.org/nss
http://www.conam.gob.pe
http://www.rwi-essen.de
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International Partnership for the Hydrogen Economy

Presented by the US Delegation

Robert Dixon, US Department of Energy, announces that a meeting of interested countries will be held in October/November 2003 to define and establish the IPHE.

Harlan Watson, US Department of State, underscores that in order to stabilize greenhouse gas emissions, there may be a need for a quantum leap in technology development over the long term.

More information:
http://www.eere.energy.gov/hydrogenandfuelcells/partnerships.html

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Harlan Watson, US Department of State, noted that the US is investing in technologies that can make a difference in the long term, including energy efficiency and renewable energy technologies, as well as hydrogen and fusion energy.

Robert Dixon, US Department of Energy, highlighted that hydrogen is abundant, clean, highly-efficient, reliable and can be derived from diverse domestic resources, including fossil fuels, nuclear power, and renewable energy sources. He underscored that hydrogen power: is not a source of energy, but an energy carrier; entails zero, or near zero, emissions; and can be used in the transportation and electricity sectors.

Dixon explained that US President Bush launched the Hydrogen Fuel Initiative in January 2003, proposing "US$1.2 billion in research funding so that America can lead the world in developing clean, hydrogen-powered automobiles." He noted that the Hydrogen Fuel Initiative complements the FreedomCAR Partnership, a partnership between the US Department of Energy and the US Council for Automotive Research to conduct pre-competitive, high-risk, and high-payoff research into advanced automotive technologies. He highlighted that through the FreedomCAR Partnership and the Hydrogen Fuel Initiative, government leadership will help to advance the commercialization of hydrogen fuel cell vehicles and infrastructure from 2015-2030.

Dixon also highlighted work by several other countries in the areas of hydrogen research, development and deployment, including Australia, Canada, China, Iceland, India, Italy, Germany, Singapore and the UK. He noted that the EU has committed up to €2 billion for long-term research and development of renewable and hydrogen energy technologies that are complementary to the Clean Urban Transport for Europe (CUTE) bus programme. He explained that the CUTE programme involves the introduction of 27 hydrogen fuel cell-powered buses in nine European cities, demonstrating that zero-emission public transportation is possible when ambitious political will and innovative technology are combined.

Dixon noted that Japan's research, development and demonstration programme for fuel cell and hydrogen technology has tripled in size since 1995, and aims to demonstrate, *inter alia*, the reliable and safe operation of hydrogen refueling stations. Highlighting that hydrogen energy could be useful for meeting the energy and development needs of developing countries, he noted that the US, among others, have worked with India to launch its hydrogen programme.

Regarding the International Partnership for the Hydrogen Economy (IPHE), Dixon outlined the Partnership's vision that by 2020, consumers in participating countries will have the option to purchase competitively-priced hydrogen power vehicles and be able to refuel near their homes and places of work. He said the goal of the IPHE is to organize, evaluate and coordinate multinational research, development and deployment programmes that advance the transition to a global hydrogen economy. He underscored that a successful partnership will: bring together the world's best intellectual skills to solve difficult problems; develop interoperable technology standards; design policy and technical guidance while leveraging resources to advance hydrogen and fuel cell technology development and deployment; foster large-scale, long-term public-private cooperation to advance hydrogen and fuel cell technology and infrastructure development; and address emerging technical, financial and policy issues and opportunities.