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Events convened on Monday, 21 June 2004

Presentation of new national communications from non-Annex I Parties

Presented by the UN Framework Convention on Climate Change (UNFCCC)



Jeanne Acacha Akoha, Benin's Ministry of the Environment, Habitat and Urbanism, says Benin has established a National Committee on Climate Change.

More information:

<http://unfccc.int/program/imp/nai/natcsub.html>
http://www.keei.re.kr/keei/main_eng.html
<http://isaac.phys.um.edu.mt/climate>
<http://www.cambioclimatico.gub.uy>

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Luis Gomez-Echeverri, UNFCCC, highlighted that 114 non-Annex I Parties have submitted their initial national communications, and three have submitted their second. Noting that 65 non-Annex I Parties are in the process of preparing their second national communications, he said the UNFCCC is ready to support this endeavor.

Alfred Micallef, University of Malta, presented Malta's initial national communication, highlighting that emissions have stabilized despite growing energy consumption. He outlined possible greenhouse gas abatement measures for Malta, including the need for: improved energy efficiency, transmission and distribution in the power sector; three-way catalytic converters in vehicles and alternative fuels such as bio-diesel; and increased composting and methane collection from landfills. Micallef said that the installation of two combined-cycle gas turbines to replace its traditional fossil fuel plant would return Malta's emissions to 1990 levels.

Presenting Uganda's initial national communication, Philip Gwage, Uganda's Department of Meteorology, emphasized that being a least developed country, Uganda is vulnerable to climate change impacts. He explained that although Uganda lacks specific policies to address climate change, several of its national policies are relevant for implementing the Convention, such as the Poverty Eradication Action Plan and the Plan for Modernization of Agriculture. He identified the need to build institutional and technical capacities for effective implementation of the Convention in Uganda.

Presenting the second national communication of the Republic of Korea, Jaekyu Lim, Korea's Energy Economics Institute, highlighted that although *per capita* emissions increased during 1990-2001, the emissions intensity per unit GDP had decreased. He noted that the Republic of Korea's emissions would probably increase 70% from 2000 levels by 2020.

Luis Santos, Uruguay's Ministry of Housing, Territorial Regulation, and Environment, introduced Uruguay's second national communication. He noted that the communication contains mitigation measures for the agriculture, forestry, waste, energy and transportation sectors, as well as a vulnerability analysis and adaptation measures for agriculture, biodiversity, human health, and coastal, water and fishery resources.

Jeanne Acacha Akoha, Benin's Ministry of the Environment, Habitat and Urbanism, presented Benin's National Implementation Strategy (NIS), which contains the country's vision on climate change and the Convention, and how they relate to Benin's national economic and development plans. She discussed opportunities and challenges for Benin with respect to the Kyoto Protocol.

Subodh Sharma, India's Ministry of Environment and Forests, provided a brief overview of India's initial national communication, which will be addressed in detail in a side event on 22 June 2004.

Activities Implemented Jointly: Experience of the Netherlands JI Fund

Presented by the delegation of the Netherlands



Maarten Bussink, Netherlands' Ministry of Foreign Affairs, showcases a coffee wastewater project, as an example of an AIJ project funded by the Netherlands' JI Fund.

Maarten Bussink, Netherlands' Ministry of Foreign Affairs, explained that the Netherlands' Activities Implemented Jointly (AIJ) Fund was a development assistance effort that addressed both sustainable development and mitigation and operated from 1996-2004. He noted that the Netherlands government gave 22 million euros to the JI Fund that screened 74 projects, out of which 19 projects are about to reach the implementation stage. Highlighting that the Fund's projects were implemented in Africa, Latin America and Asia, Bussink emphasized that the projects had achieved six million tonnes of carbon dioxide reductions, and noted that both baseline and emissions monitoring followed the Senter and Clean Development Mechanism (CDM) guidelines. He said the results would be reported to the UNFCCC.

Bussink said implementation of the Netherlands JI Fund's projects were slow because: JI was breaking new ground in 1996; there was a lack of human resources; and it was necessary to change the development assistance mindset. He outlined the difficulties encountered at various stages of project implementation, including the need to: find partners that were willing and able to draw up viable proposals during the start-up phase; develop sound business and financing plans during the assessment phase; and get partners to participate fully and sustain mutual trust and interest during the implementation phase. Noting that both the private and public sector were risk averse, he explained that the private sector was seeking subsidies, and the public sector was more interested in procedures. He stressed that there is much progress to be achieved before real partnerships are created between the public and private sectors, and that only then will there be success.

Bussink concluded by highlighting lessons learned from the Netherlands JI Fund. He said private sector involvement is key for successful technology transfer and sustainable development, and mutual trust is the most important element for partnerships. He recommended that CDM and JI projects focus on relatively quick and large reductions, noting that medium and small-scale projects in developing countries are likely to "fall by the wayside." Bussink said neither CDM nor JI seem equipped to engage and sustain long-term partnerships, which are necessary for sustainable development, and recommended that emission reduction certification procedures need to move toward a more workable format.

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Beyond Kyoto: The risks and how to cope

Presented by the Potsdam Institute for Climate Impact Research (PIK)

Stefan Rahmstorf, PIK, described the roles of natural and anthropogenic forcing in climate change. He observed that natural climate change has occurred on many time scales, and that past climate change confirms what we know about climate sensitivity. He concluded that global warming trends observed in the past 50 years cannot be explained by natural forces and must therefore be the result of anthropogenic forcing.

Wolfgang Cramer, PIK, spoke on vulnerability and adaptation to climate change impacts. Drawing attention to the 2002 floods and 2003 heat wave in Europe, he described the process by which climate change is affecting species and ecosystems. He noted that climate change science is now taking into account both average conditions and extreme events, and has the ability to anticipate the impacts on atmospheric composition and socioeconomic trends.

Nigel Arnell, University of Southampton, discussed the limits of climate change adaptation. He described the physical, financial, feasibility and institutional capacity limits, noting that these can expand or contract depending on the economic, social, political and institutional context. In predicting what would occur if limits were exceeded, he said we could either accept climate change or make radical changes.

Alexander Wokaun, Paul Scherrer Institute, described the technological options for climate change mitigation, focusing on renewable energy. He also discussed other mitigation options, such as decreasing energy demand, increasing energy efficiency, carbon dioxide sequestration and fuel substitution. He cautioned that sequestration can only "buy time" until renewable energy options have been implemented.

(Continued on page 3)



Stefan Rahmstorf, PIK, hypothesizes that warming in next 50 years could be halved by substantial mitigation efforts.

More information:

<http://www.pik-potsdam.de>

<http://www.tyndall.ac.uk>

<http://www.psi.ch>

<http://www.ozean-klima.de>

Beyond Kyoto

(Continued from page 2)

Ottmar Edenhofer, PIK, discussed mitigation options and costs. He described various aspects of technology change, such as “learning by doing” and biased technology change driven by investments, noting that investors often have difficulty in taking a long-term vision. Edenhofer identified the need to improve understanding of long-term investment decisions and the inter-temporal failure of capital markets, and explore and design policy instruments to overcome market distortion.

Pointing to the limits of adaptation, Ursula Fuentes, Germany’s Ministry of the Environment, Nature Conservation and Nuclear Safety, stressed the urgent need for mitigation, cautioning that mitigation and adaptation must be linked to sustainable development initiatives. Fuentes noted that although technology development plays a crucial role in mitigation, stronger environmental policies are also needed.

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South-North dialogue on equity in the greenhouse

Presented by the University of Cape Town and the Wuppertal Institute

Marita Steinke, Germany’s Ministry for Economic Cooperation and Development (BMZ), introduced the BMZ-funded study on the South-North dialogue that seeks an adequate and equitable global climate agreement.

Bernd Brouns, Wuppertal Institute, discussed the process and methodology behind the study. He noted that the study’s objectives included contributing new ideas on climate change, building trust between northern and southern researchers, and exchanging views on the future development of the climate change process. He noted that the majority of the researchers involved in the study were from developing countries, and emphasized the innovative and structured e-mail dialogue component of the research.

M. J. Mace, Foundation for International Environmental Law and Development, presented the study’s recommendations on adaptation. She said that no agreement will be equitable or adequate if it fails to incorporate appropriate burden-sharing mechanisms to address the needs of those most vulnerable to climate change. She stressed the need for industrialized countries to pay greater attention to mitigation in order to lessen the need for adaptation in later years. She also stressed the need to develop strategies to increase the adaptive capacity and resilience of vulnerable countries to projected impacts and to ensure equitable access to adaptation funds by developing countries.

Harald Winkler, Cape Town University, discussed differentiation and mitigation commitments. Making reference to UNFCCC Article 3.1 on common but differentiated responsibilities and respective capabilities, he stated that responsibility, capacity and potential were used as analytical criteria for differentiating among developing countries. He noted that the study differentiated developing countries into four categories: newly industrialized countries (NIC); rapidly industrializing developing countries (RIDC); least developed countries; and other developing countries. Winkler demonstrated that the potential, responsibility and capacity to mitigate varied among these categories. He said the research proposed that NICs adopt voluntary reduction targets and RIDCs adopt absolute limited targets. He also noted that the proposed commitments are both quantitative and qualitative.

Hermann Ott, Wuppertal Institute, discussed the need for political leadership for progress after 2012. He said that there was a unanimous decision among the study’s researchers that without having the biggest polluters on board, there can be no quantitative commitments forthcoming from developing countries. He underscored the structural, instrumental and directional dimensions of leadership and called on developing countries to exercise leadership. He said leadership will require commitment to the Kyoto Protocol, continued implementation, serious efforts to regain trust of the South, and support for civil society and organizations in the US, Russian Federation and developing countries.



Hermann Ott, Wuppertal Institute, says that unlike most academic research, this project on “equity in the greenhouse” considers the political context of future action.

More information:

<http://www.gtz.de/climate>
<http://www.wupperinst.org/sites/projects/rg2/1085.html>

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Technology and mechanisms: An energy perspective

Presented by the International Energy Agency (IEA)



Martina Bosi, IEA, says that the estimated market price for credits if CDM credits are allowed in the EU trading scheme is US \$11 per tonne of carbon.

More information:

<http://www.iea.org>

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Richard Bradley, IEA, introduced the IEA's work on climate change and energy efficiency, focusing on areas such as energy efficient buildings, climate change and sustainable development, and the evolution of mitigation commitments.

William Blyth, IEA, presented a paper on linking non-EU domestic trading schemes with the EU ETS. He said that the recognition of trading units and different penalty regimes are two factors that could complicate the linking of these two schemes.

Martina Bosi, IEA, presented a paper on linking project-based mechanisms with domestic emissions trading schemes and another paper on estimating the market potential for the CDM in a scenario where CDM credits are part of the EU ETS.

Cedric Philibert, IEA, presented a paper on International Technology Collaboration and Climate Change Mitigation that elaborated on a previous paper on technology, innovation development and diffusion.

Richard Sellers, IEA, gave a presentation on renewable energy, focusing on market and policy trends in IEA countries, noting that government budgets for research and development for renewable energy had declined from 1970 to present. He concluded that funding for research and development on renewable energy to be increased, that policies must specifically address renewable energy technology, and that combination policies are more efficient than single ones.

Bosi and Philibert presented a paper on carbon dioxide capture and storage. They outlined key issues, including: whether it is better to have a reduction at source or sink enhancement, the importance of accounting for physical leakage at the storage site, and the need to take into account the extra energy required to capture carbon dioxide.

EU emissions trading, Joint Implementation and the Clean Development Mechanism

Presented by the European Commission (EC)

Artur Runge-Metzger, EC, outlined aspects of the EU Emission Trading Scheme (ETS), highlighting that it operates in phases that are compatible and coincide with the Kyoto Protocol. He noted that the ETS offers a blueprint for international and regional trading schemes and provides European businesses with a low-cost way to achieve compliance with Kyoto Protocol targets. Runge-Metzger highlighted adopting emissions monitoring and reporting guidelines as a task for the Commission, and building national allowance registries as a task for Member States. Noting that allocation is the hottest topic for Member States, he stressed that this issue is relevant for all economic sectors, even those outside of the ETS. In terms of National Allocation Plan assessment timelines, Runge-Metzger said that a final decision on allocation at the Member State level needs to be taken by September 2004. He concluded saying that the EU ETS is an open scheme.

Jürgen Lefevere, EC, presented on CDM and JI credits in the EU ETS and Linking Directive. Lefevere said linking the Kyoto Protocol mechanisms would increase the liquidity of the EU emissions trading market. He said that Member States may use all project credits issued under UNFCCC and Kyoto Protocol rules, except for nuclear energy (up to 2012) and Land Use, Land-Use Change and Forestry projects. He concluded by outlining the timeline of the Directive's entry into force, and said that transposition will occur by the end of 2005 at the latest.



Artur Runge-Metzger, EC, stresses that it took approximately five years to create the EU ETS, and emphasizes that it should be a lesson for those who are developing policies beyond 2012.

More information:

<http://europa.eu.int/comm/environment/climat/emission.htm>

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