



A Special Report on Selected Side Events at the Twenty-eighth sessions of the UN Framework Convention on Climate Change (UNFCCC) Subsidiary Bodies and Sessions of the *Ad Hoc* Working Groups

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Events convened on Wednesday, 4 June 2008

Biodiversity benefits of reducing emissions from deforestation and forest degradation

Presented by CBD and Norway



Hävard Toresen, Norway, emphasized that the two REDD funding concepts currently being discussed in the climate change negotiations should remain on the table for the time being.

Hävard Toresen, Norway, said the aims of Norway's initiative for funding REDD projects are to reduce emissions, protect biodiversity and ensure that sustainable development occurs. He stressed that the project allocates approximately US\$500-600 million annually, in addition to existing overseas development assistance.

Katia Karousakis, OECD, summarized activities within the Bali Action Plan and CBD that relate to co-benefits. She discussed possible approaches to targeting projects that ensure effectiveness and efficiency, including those that identify areas with high ecosystem service benefits and a high risk of deforestation.

Jeff Price, UNEP World Conservation Monitoring Centre (WCMC), presented results from a forthcoming publication that aims to determine where REDD projects could have the highest co-benefits by conducting a global overlay analysis of regions with high carbon stocks and those with high biodiversity protection priorities.

Joji Cariño, Tebtebba, said there is little chance that indigenous and local communities will benefit much from REDD because the focus on reduced emissions has directed attention towards drivers of deforestation rather than long-term management and conservation. She stressed the need for increased attention to issues including governance and tenure.

Johannes Förester, IUCN, on behalf of David Huberman, IUCN, said REDD could be an example of international Payment for Ecosystem Services (PES). He identified challenges, including institutional capacity and land tenure issues, but said that PES encourages: sustainable land management and reaching communities dependent on local forests.

Duncan Marsh, The Nature Conservancy (TNC), summarized the potential impacts of land-based carbon activities on people and biodiversity, and introduced the Climate, Community and Biodiversity Alliance (CCBA) standards for project design and multiple benefits. He said the CCBA standards could catalyze development of, and investor interest in, multi-benefit projects.

Participants discussed, inter alia: how to sustain local community benefits; whether or not biodiversity issues should be addressed under the UNFCCC; and how indigenous communities can participate in the REDD negotiation process.

More information:

<http://www.unep-wcmc.org>
<http://www.nature.org>
<http://www.climate-standards.org>
<http://www.oecd.org/env/biodiversity>
<http://www.iucn.org/economics>

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Technology, innovation and global regulatory frameworks

Presented by ICTSD

Ricardo Melendez-Ortiz, International Centre for Trade and Sustainable Development (ICTSD), announced the launch of the ICTSD's Initiative on Climate Technology and Trade. He said the Initiative aims to contribute information on mechanisms, opportunities and barriers to technology transfer to the EGTT.

Pedro Roffe, ICTSD, stressed that Intellectual Property Rights (IPRs) are not a new issue in international negotiations and recommended learning from past failures. He said evidence shows that the impacts of IPRs are sector-specific, which poses a challenge in discussions on climate change because it crosses many sectors. He explained that although the exact role of IPRs in the transfer of climate-related technologies remains unclear, a 2006 UNFCCC report indicated that IP-related issues were not considered a major barrier to technology transfer relative to other economic and market barriers. He said ICTSD research found that the impact of patents on access to solar, wind and biofuel technologies in developing countries would not be significant. He noted that the potential implications of the increased number and scope of patent claims in wind energy and biofuel technologies, highlighted by the European Patent Office (EPO), are unknown.

Konstantinos Karachalios, EPO, stressed the need to understand key questions and issues related to technology transfer of climate-related technologies. He argued that good governance mechanisms for supporting the transfer of technology and related knowledge are lacking.

George Weyerhaeuser, World Business Council for Sustainable Development, emphasized that, while immediate and rapid diffusion of climate-related technologies is necessary, mechanisms to encourage such transfers must not endanger the energy innovation that will be required to alter energy systems over the next 50 to 100 years.

Lynn Mytelka, United Nations University, suggested that the term "technology transfer" must incorporate the transfer of knowledge and capabilities to choose appropriate technologies and to diffuse and operate them. She lamented that technology transfer debates often focus on a narrow range of technologies, and that many technologies, such as hydrogen fuel cells, are often overlooked.

Jukka Uosukainen, EGTT Chair, explained that the EGTT's new mandate encourages the Group to obtain advice and support from a broad range of sources, noting the utility of the ICTSD Initiative in this regard. He encouraged an examination of lessons learned under the Montreal Protocol regarding IPRs as well as financing of, and sectoral approaches to, technology transfer.

Participants discussed: whether IPRs promote or stifle technology transfer; expectations on developed countries related to technology transfer of climate-related technologies; the extent to which lessons on patenting in the pharmaceutical sector can be applied to the technology transfer for climate change mitigation debate; whether patents should be discussed on a sector or case-by-case basis; and compulsory licensing.



George Weyerhaeuser, World Business Council for Sustainable Development, argued that developing country access to technology at present may not be as challenging as stimulating energy innovation for the future.



Lynn Mytelka, United Nations University, stressed that developing countries need knowledge on presently available technologies as well as support to enable local entrepreneurs to use technologies.

More information:

<http://www.ictsd.org>
<http://wbcsd.org>
<http://www.merit.unu.edu>

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Planted production forestry in emissions trading: ensuring flexibility for sustainable development

Presented by New Zealand

Bryan Smith, Ministry of Agriculture and Forestry, New Zealand, shared his country's experience with incorporating forestry into the New Zealand Emissions Trading Scheme (NZETS). He explained that the NZETS is an economy-wide ETS that will cover all sources and sectors by 2013 and that it is currently being considered by parliament. He noted the similarity between New Zealand's emissions profile and those of many developing countries, highlighting that almost 50% of the country's emissions come from agriculture, making land-use based emissions an important component of the Scheme.

Smith said all New Zealand Units (NZU) must be backed by Kyoto units and that convertibility, within limits, will be permitted between the two types. He added that Kyoto units will be useable for meeting the NZETS obligations. He elaborated that the NZETS distinguishes between pre- and post-1990 forests to account for additionality requirements, and that all post-1990 forests will be eligible for credits and liabilities, although the landowner will have the choice to register or not. He outlined some of the specific rules regarding reporting, non-compliance penalties and eligibility.

Smith explained that deforestation of pre-1990 forests will enter the NZETS to curtail deforestation. Noting that this may reduce land values, he said the government will offer 55 million NZUs as compensation.

Roger Pikia, Maori Reference Group Executive on Climate Change, New Zealand, gave an overview of the Maori perspective on forestry in the NZETS, highlighting that Maori communities have a developing economy within a developed nation and therefore require flexibility in order to meet their sustainable development objectives.

Pikia explained that the Maori own over two million hectares of land, split between exotic forest plantations, permanent indigenous forest and agriculture, from which they generate income from food export revenues. He said they had identified a large area of currently forested land on a flat gradient that would be suitable for conversion to agriculture. To compensate for this conversion, he elaborated that they would plant forests on marginal land on steep slopes so that emission reduction targets are maintained. He called for parties to consider an amendment to the Kyoto Protocol to allow for offset planting of forests with either permanent indigenous or exotic species that enable best land-use options on lands owned in perpetuity by indigenous people.

Participants discussed: the availability of credits in the reserve as an obstacle; applicability to REDD; expected carbon stock changes; inclusion of transport, industrial and energy sectors into the NZETS in 2010; the Scheme's potential to stop deforestation; landowner options for managing liabilities; reporting methods; problems with using landowner reporting in national inventories; and transferability of NZUs to Kyoto Assigned Amount Units.



Bryan Smith, Ministry of Agriculture and Forestry, New Zealand, explained that there will be a staggered entry of sectors into the NZETS, starting with forestry in 2008 and ending with agriculture on 1 January, 2013.



Roger Pikia, Maori Reference Group Executive on Climate Change, New Zealand, said the Maori are strong advocates of sustainable land management.

More information:
<http://www.maf.govt.nz>

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In the evening, Bärbel Dieckmann, Mayor of the City of Bonn, in collaboration with the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, hosted a buffet reception at the Federal Audit Office for participants to the 28th Session of the Subsidiary Bodies to the UNFCCC.

