



## A Special Report on Selected Side Events at the Bonn Climate Change Conference - May 2012

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# Control of GHG Emissions from International Transport

Presented by the International Maritime Organization (IMO)



Eivind S. Vågslid, IMO, commented that a global industry should be regulated globally.

Eivind S. Vågslid, IMO, introduced the work of the IMO, pointing out that shipping is the most energy efficient mode of transport. He reviewed opportunities for efficiency improvements in seaborne trade, such as larger ships, which can transport five times more volume while consuming only one and half times the fuel, clarifying that there remains a huge potential.

Vågslid highlighted the adoption of mandatory technical and operational measures for ships engaged in international trade in July 2011, including the Energy Efficiency Design Index (EEDI) for new ships and the Ship Energy Efficiency Management Plan (SEEMP) for all ships in operation. He clarified that states are obligated to adopt and enforce regulations and private companies are obligated to comply with regulations.

Vågslid stressed measures are intended to drive change, not support business-as-usual, requiring both consequences for non-compliance and capacity building. In relating the work of IMO to the UNFCCC, Vågslid drew attention to IMO's non-discriminatory approach, requiring that regulations be applied to all ships, in comparison to the principle of common but differentiated responsibilities in UNFCCC Article 2.2. He suggested market-based mechanisms (MBMs) and climate finance could accommodate both principles if applied universally.

In panel discussions, Ivo de Zwaan, Ministry of Infrastructure and the Environment, the Netherlands, commented that concrete outcomes regarding the sector were unlikely during this UNFCCC meeting. Shaun Goh, Ministry of Transport, Singapore, shared this perspective, agreeing to work with parties to help produce a clear mandate to address sectoral emissions. He agreed that international shipping could play a role in climate finance, expressing hope that revenue raised by IMO MBMs would be used to support shipping industry mitigation and adaptation efforts, and not solely directed to the Green Climate Fund. Alexis Rodríguez, Maritime Authority, Panama, commented that successful MBMs require good analysis, currently underway.

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## CDM Executive Board: Question and Answer

Presented by the UNFCCC Secretariat

The Clean Development Mechanism (CDM) Executive Board (EB) updated participants on their activities and engaged audience participants on a wide range of issues. Maosheng Duan, Chair of the CDM EB, China, reviewed activities related to improving efficiency and clarity of the CDM system and stakeholder engagement. He reported 8400 projects are currently in the CDM pipeline.

On additionality, Duan recounted the adoption of new procedures for micro-scale renewable energy projects, which will automatically be considered additional. He also reported continued work on the regional distribution of CDM projects, including adopting top-down methodologies. Duan recognized that the CDM is in a period of transition, underscoring renewed support provided by the agreement on a second commitment period for Annex I parties in Durban. He informed participants that a high-level policy dialogue designed to position the CDM into the future would engage stakeholders and produce a report this fall.

The panel fielded questions from the audience on: specific methodologies; price volatility; safeguards; and compatibility with China's and Korea's planned domestic trading schemes. Chair Deng stated that methodologies are the result of intense negotiations and invited further stakeholder input. CDM EB Member Peer Stiansen, Norway, reiterated that the mandate of the CDM EB is to ensure the accuracy and additionality of emission reductions and said States decide whether to adopt other country's baselines and how to use the credits.

Duan agreed with a participant that low certified emission reduction (CER) prices are a fundamental issue, stating that projects must demonstrate additionality, not financial viability. On safeguards, CDM EB Member Thomas Bernheim, European Commission, suggested stakeholder input could help improve transparency. CDM EB Vice-Chair Martin Hession, United Kingdom, stated that the Board cannot make judgements about the sustainable development of a given country, emphasizing that the CDM EB "in no way supports breaches of human rights."



Maosheng Duan, CDM Executive Board Chair, China, presented an overview of work, including a loan scheme to boost CDM projects in least developed countries.



Anja Kollmuss, CDM Watch, queries the CDM Executive Board on the baseline methodology for adipic acid production plants.

### More information:

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L-R: Andrew Howard, UNFCCC Secretariat; Thomas Bernheim, CDM EB Member, European Commission; Peer Stiansen, CDM EB Member, Norway; Maosheng Duan, CDM EB Chair, China; Martin Hession, CDM EB Vice-Chair, United Kingdom; and José Domingos Gonzalez Miguez, CDM EB Member, Brazil

## Rio Conventions - to Rio and Beyond

Presented by the Convention on Biological Diversity (CBD)

Sergio Zelaya, UN Convention to Combat Desertification (UNCCD) Secretariat, highlighted actions by the UNCCD, CBD and UNFCCC Joint Liaison Group (JLG), noting its establishment in 2001 and its subsequent meetings to enhance coordination and explore options for coordination and a possible joint work programme. He said the JLG supports action at Rio+20 to strengthen synergies.

Fernando Castellanos Silveira, UNFCCC Secretariat, said there are benefits to working on synergies rather than in silos, highlighting that sustainable land use addresses issues ranging from conserving biodiversity, climate mitigation and adaptation and preventing land degradation.

Sakhile Koketso, CBD Secretariat, outlined the conceptual plan for the Aichi Biodiversity Targets, which seek to address: underlying causes; reducing direct pressures; safeguarding biodiversity; and enhancing implementation. She underscored a number of the targets would facilitate action under the other conventions and help achieve sustainable development.

Merlyn Van Voore, UN Environment Programme (UNEP), reflected that 20 years after the Rio Earth Summit, the full potential benefits under the conventions have not been realized, and said this was particularly true for implementation at the national level. She highlighted UNEP's Mountain Ecosystem-Based Adaptation (EBA) programme, noting its objective to strengthen country capacities to implement ecosystem-based adaptation.

During discussions, one participant highlighted scientific knowledge, including integration of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and IPCC assessments, as important in addition to implementation. Koketso highlighted action by the CBD Conference of the parties on REDD+ safeguards, which had been submitted to the UNFCCC Subsidiary Body on Scientific and Technological Advice (SBSTA), reminding that action under the UNFCCC depends on parties. Others discussed the development of incentives to improve cooperation among various conventions' National Focal Points, with Van Voore pointing out the need to address a broader question of coherence in environmental governance.



Sergio Zelaya, UNCCD Secretariat, said the JLG has five principles: exchange information; respect individual mandates of the organizations; decrease levels of bureaucracy; reduce costs; and produce realistic actions.



Merlyn Van Voore, UNEP, said UNEP intends to roll-out additional EBA programmes focusing on coasts and drylands.

### More information:

<http://unfccc.int/2860.php>

<http://www.cbd.int/>

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L-R: Merlyn Van Voore, UNEP; Fernando Castellanos Silveira, UNFCCC Secretariat; and Sergio Zelaya, UNCCD Secretariat

## Energy & Climate Policy: Latest Analyses from the IEA

Presented by the International Energy Agency (IEA)

Philippe Benoit, IEA, led a panel on several recent and forthcoming IEA energy analyses. Topics included: carbon pricing; renewable energy innovation; and trends in carbon capture and storage (CCS). Benoit said the analyses show that a clean energy future is possible, but the growing deviation between potential and reality are making that future increasingly expensive to achieve.

Richard Baron, IEA, said that carbon pricing is necessary, but not sufficient. He explained that market mechanisms can help reduce emissions at the least possible cost, but are unlikely to reach sufficient levels to stimulate the necessary innovation in renewable energy and CCS. Baron also previewed the China Electricity Report, which highlights policy innovations in seven province and city-level carbon markets, among other issues.

Antonia Gawel, IEA, presented an update of the recent Tracking Clean Energy Progress Report and the Energy Technology Perspectives Report 2012, to be released in June. She said that the rate of development and deployment of nearly all carbon mitigation technologies is insufficient to achieve the target of limiting warming to 2°C. Gawel said that investments are often conflated with costs, yet investments are far more cost-effective than inaction in the long term. She added that the policy challenge is balancing costs and benefits in the short term.

Ellina Levina, IEA, said that CCS has the greatest potential of any mitigation activity yet also faces the greatest barriers, including: insufficient investment; expensive site assessment; weak policy drivers; and a poor public image. Levina reported that half of CCS reductions will need to take place in the developing countries in order to meet global emission targets, with one-third in China alone.

Discussions explored the effect of lifestyle choices on energy use, the policy relevance of energy scenarios and public safety concerns over CCS.



Philippe Benoit, IEA, characterized the challenge ahead as one of “fundamental radical change.”



Antonia Gawel, IEA, noted that a 2.7% annual improvement in industrial energy efficiency is needed to keep warming within 2°C, in contrast to the 1.6% annual average over the last decade.

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L-R: Richard Baron, IEA; Philippe Benoit, IEA; Antonia Gawel, IEA; and Ellina Levina, IEA

## Experience Sharing on How to Set National Emissions Baselines in Developing Countries

Presented by the Danish Energy Agency (DEA), the Organization for Economic Co-operation and Development (OECD) and UNEP

Moderator Ulla Blatt Bendtsen, DEA, recounted, in collaboration with UNEP and OECD, the creation of the workstream to collect and publish good practices in national emission baseline development. She referenced the lack of international guidelines on GHG emissions projects in non-Annex I countries, explaining the difficulty in comparability due to varied methodologies.

Andrew Prag, OECD, reiterated the significance of baselines, reviewing the impact they have on mitigation goals. He shared examples from developed and developing countries, illustrating the variability of results depending on assumptions and modeling techniques.

Liu Qiang, Energy Research Institute (ERI), China, shared challenges in defining China's baselines due to the many sectors with different characteristics, technologies, and environmental impacts, in addition to regional differences. He said consultation with experts helped overcome the challenge of collecting accurate data and choosing the best methodologies.

Dominique Revet, UNFCCC Secretariat, provided insight to the existing guidelines for reporting by non-Annex I parties. He outlined the National Communications Guidelines, the new Biennial Update Report (BUR) and the Sixth Compilation and Synthesis 2005, acknowledging challenges caused by the general language used. He said minimum guidelines should not be viewed as limiting additional transparency.

Tran Thuc, Ministry of Natural Resources and Environment, Vietnam, introduced the experience of Vietnam in developing a national GHG inventory, pointing out baseline challenges, *inter alia*: inadequate data; slow data collection; inconsistent validation and verification; incomplete data; and incomplete emission factors.

Sudhir Sharma, UNEP, outlined the structure of the planned publication, which will include case studies from China, Indonesia, Vietnam, Thailand, India, Ethiopia, Kenya, South Africa and Mexico. The publication is expected to highlight technical issues and key lessons learned in the development of national baselines.



Ulla Blatt Bendtsen, DEA, defined the importance of baselines as they impact future scenarios and are difficult to develop with accuracy.



Tran Thuc, Ministry of Natural Resources and Environment, Vietnam, was one of the original members of the initiative starting in 2011.

### More information:

<http://www.uneprisoe.org>

<http://www.ens.dk>

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L-R: Liu Qiang, ERI, China; Tran Thuc, Ministry of Natural Resources and Environment, Vietnam; Ulla Blatt Bendtsen, DEA; Dominique Revet, UNFCCC Secretariat; Andrew Prag, OECD; and Sudhir Sharma, UNEP

# CLIMATE-ADAPT: European Climate Adaptation Platform

Presented by the European Commission

The event provided a live demonstration of European Climate Adaptation Platform (CLIMATE-ADAPT), an online tool supporting the development of adaptation measures at the EU, national, regional and local levels.

Cornelia Jäger, European Commission, introduced CLIMATE-ADAPT, which fulfills the recommendations of the 2009 White Paper on Adaptation regarding filling knowledge gaps and improving information dissemination. She stated there are four objectives: building a solid knowledge base; mainstreaming adaptation into EU policies; employing a combination of policy instruments; and increasing international development.

Matteo Rini, European Commission, explained that the target audience is policymakers, not the general public or scientific community. He walked the audience through the Platform, including four tools on: adaptation support; case studies; country specific policy; and content sharing. He explained that the adaptation support tool provides guidance through a policy cycle, from identifying adaptation risks and vulnerabilities to monitoring and evaluation. Rini demonstrated an interactive map to help users identify climate change risks in their region. He displayed how the case study search identifies case studies regarding similar adaptation concerns and regions expected to experience similar effects of climate change. In addition to the tools, Rini illustrated the Platform's ability to provide sector-specific information and a searchable database of resources.

Sergio Castellari, European Environment Agency (EEA), explained the Platform's uncertainty guidance, including how to define, identify, and include uncertainty in adaptation policy. Castellari directed attention to the EEA Topic Centre for climate change, vulnerability and adaptation, which is supported by a group of 30 experts who will help ensure the quality of the data users share on CLIMATE-ADAPT. He underscored the value of the Platform for cities to learn from the experience of others who have developed and implemented adaptation policies.

In the following discussion, participants expressed enthusiasm for CLIMATE-ADAPT and its links to extensive sources of existing information. Participants provided the panel members with ideas to disseminate the website and encourage users to contribute information.



Matteo Rini, European Commission, highlighted the nine sectors currently included in the website, including agriculture and forestry, finance and health, and explained the addition of other sectors, such as migration, is planned.



Sergio Castellari, EEA, explained the "cascade of uncertainty" decision-makers face when developing adaptation policy.

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A participant checking the side events and exhibits board