



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, 11 June 2008

Climate adaptation tools: improving decision making for development

Presented by IDS/IISD/World Bank



Anne Hammill, IISD, Canada, asked: whether standards should be set for adaptation tools; how to treat uncertainty; how to monitor and evaluate tools; how to improve collaboration; and whether tools are meeting users' needs.

Thomas Tanner, Institute for Development Studies (IDS), UK, highlighted the growing interest in tools and methods for adaptation to ensure climate-proof development.

Anne Hammill, International Institute for Sustainable Development (IISD), Canada, reported key messages from two recent meetings on adaptation methods and tools, including that: collaboration is already occurring; tools are targeted for specific niches; climate change is treated as an additional stressor; scale and historic data are important for determining vulnerability; and rigorous assessment of tools and clearer guidance are needed.

Ian Noble, World Bank, gave an overview of the upcoming World Bank Climate Portal, which aims to address the recent interest in climate change data for project and programme design support.

Ben Smith, Stockholm Environment Institute, introduced the weADAPT platform for collaborating on climate adaptation. He highlighted the main elements of the platform, including: a wiki site to share knowledge and experiences; and the climate explorer tool, which displays downscaled station data for Africa and Asia to explore current and future climate projections from three Global Climate Models.

John Furlow, US Agency for International Development, presented their Climate Mapper, an application of the SERVIR global imaging tool, which aims to provide development professionals with easy access to climate impact data.

Maria Netto, UN Development Programme (UNDP), highlighted the Adaptation Learning Mechanism website, which provides country profiles of developing countries, case studies, lessons learned, guidance and tools, and a search engine. She said they are working to make the information available to other interfaces.

Emmanuel Seck, Environmental Development Action in the Third World, Senegal, recommended adapting tools to the needs of the user, setting up consultative processes, communicating best practices, strengthening or establishing early warning systems, and facilitating local decision makers' access to tools.

Nana Künkel, GTZ, shared experiences on mainstreaming adaptation into German development cooperation, and highlighted the need for efficient tools that recognize the users' time constraints and provide data at relevant resolutions for the given project.

Participants discussed: the need for quick and user-friendly tools; the need for improved information sharing on technologies; and data validity and accuracy.

More information:

<http://www.ids.ac.uk/climatechange>

<http://www.iisd.org>

<http://www.weadapt.org>

<http://www.servir.net/index.php?lang=en>

<http://www.adaptationlearning.net>

Contacts:

Thomas Tanner (Chair)

<t.tanner@ids.ac.uk>

Anne Hammill <ahammill@iisd.org>

Ian Noble <inoble@worldbank.org>

Ben Smith <ben.smith@sei.se>

John Furlow <jfurlow@usaid.gov>

Maria Netto <maria.netto@undp.org>

Emmanuel Seck <enda.energy@sentoo.sn>

Nana Künkel <nana.kuenkel@gtz.de>

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Climate risk insurance: compensation schemes

Presented by United Nations University

Peter Höppe, Munich Re Group, introduced development concepts for a risk transfer mechanism based on the principle of compensation. He suggested defining: paying emitters, namely those emitting over a fixed threshold, such as 5 tons per capita, in order to separate rich from developing countries; receiving emitters; and risk carriers. He outlined potential schemes using two types of triggers: one that is index-based, determined by economic loss; and one that uses a parametric index related to the intensity of the natural hazard.

Joanne Linnerooth-Bayer, International Institute for Applied Systems Analysis, Austria, welcomed a solidarity fund-type proposal and called for additional support for: catastrophe insurance programmes in developing countries, which insure low-risk but large-damage events; and resilience building, through risk reduction measures. She highlighted two schemes that use parametric triggers: The Caribbean Catastrophic Risk Insurance Facility, which pools several Caribbean countries' funds to share risk; and a drought micro-insurance scheme in Malawi that compensates farmers if rains are below a certain trigger level.

Christoph Bals, Germanwatch, highlighted the role that insurance could play within an adaptation strategy. He cited recent interventions from various delegations in the UNFCCC negotiations that have supported insurance mechanisms and made insurance proposals. He noted that parametric-based insurance reduces mal-adaptation, as the pay out is not based on quantified losses but rather on the occurrence of an extreme weather event.

Ian Burton, Scientist Emeritus, Canadian Meteorological Service, outlined opportunities to include insurance within the post-2012 framework, noting that insurance mechanisms may be too poorly defined for reaching an agreement by Copenhagen. He suggested including insurance in the Nairobi Work Programme for Adaptation instead.

Participants discussed, *inter alia*: advantages of parametric triggers; equity of compensation; possible regulation structures; the Swiss proposal regarding insurance; and problems in measuring adaptation.



Joanne Linnerooth-Bayer, International Institute for Applied Systems Analysis, Austria, suggested that risk-sharing and transfer mechanisms, such as insurance, could help the North meet its obligation to support adaptation.

More information:

<http://www.climateinsurance.org>
<http://www.munichre.com/en/homepage>
<http://www.iiasa.ac.at>
<http://www.germanwatch.org>

Contacts:

Koko Warner (Chair) <warner@ehs.unu.edu>
 Peter Höppe <phoepp@munichre.com>
 Joanne Linnerooth-Bayer <bayer@iiasa.ac.at>
 Christoph Bals <bals@germanwatch.org>
 Ian Burton <ian.burton@er.gc.ca>

Global sectoral industry approaches to climate change: the way forward

Presented by CEPS

Christian Egenhofer, Centre for European Policy Studies (CEPS), stressed that data collection and benchmark setting are at the core of sectoral approaches. He noted other components, including: identifying and sharing best practices; and engaging government and industries in emerging economies. He asked how sectoral approaches can overcome challenges such as: data collection; incentive provision; and anti-competitive behaviour.

Kazuhiko Hombu, Ministry of Economy, Trade and Industry, Japan, suggested that, if carefully planned, sectoral approaches can be successful. He said sectoral approaches: are not new; could co-exist with cap-and-trade and flexible mechanisms; would not replace national emissions reduction targets; and would not impose a single global standard on developing countries.

Vivek Kumar, The Energy and Resources Institute, India, explained that sectoral approaches can make developing country industries more



Yoshito Izumi, Taiheiyo Cement Corporation, Japan, noted CSI's progress in building tools for consistent data collection and creating a global database of facility emissions.

efficient through technical cooperation, financial support, and sharing information on best practices.

Yoshito Izumi, Taiheiyo Cement Corporation, Japan, described the Cement Sustainability Initiative (CSI), noting that sectoral approaches should: be established within the UNFCCC; be compatible with existing and future mechanisms; include major developed and developing economies; use simple metrics and methodologies; use verified emissions data to track compliance; be mandatory; provide a mechanism for review; and enhance new technology development.

Paul Watkinson, Interministerial Climate Change Group, France, emphasized the need to clearly define what is meant by “sectoral approaches.” He said sectoral actions are common at the national level, and discussed whether multi-national sectoral approaches should be complementary to, or an integral part of, a post-2012 regime.

Participants discussed, *inter alia*: making national and international approaches complementary; the suitability of sectoral approaches for all industries; incentives for participation; methods for setting bottom-up targets; and mechanisms for finance and technology transfer.

More information:

<http://www.ceps.eu>
<http://www.teriin.org>

Contacts:

David Hone (Chair) <david.hone@shell.com>
 Christian Egenhofer <cegenhofer@ceps.eu>
 Kazuhiko Hombu <hombu-kazuhiko@meti.go.jp>
 Vivek Kumar <kumarv@teri.res.in>
 Yoshito Izumi
 <yoshito_izumi@taiheiyo-cement.co.jp>
 Paul Watkinson
 <paul.watkinson@developpement-durable.gouv.fr>

Developing country participation in mitigation: an Indian inquiry

Presented by CICERO

Gunnar Eskeland, CICERO, Norway, described joint research initiatives between CICERO and TERI. He described research on household energy use in India that examined three scenarios for 2030: business-as-usual; a health scenario, where improved cook stoves would be promoted; and a green scenario, where 50% of household energy consumption would be derived from biomass. Eskeland said carbon dioxide emissions will increase significantly in all scenarios, but that air quality and health indicators will improve to varying extents.

Atul Kumar, TERI, India, explained that total primary commercial energy consumption in India will increase 7.5 times by 2030, with coal accounting for 59% of generation capacity. He examined the role that CCS and biofuels could play in reducing emissions. On CCS, he said more research is needed but that the potential for storage appears small, and that CCS could increase the cost of power generation by 80-100%. On biofuels, he highlighted the use of sugarcane and jatropha, noting that there is no competition with food crops. He highlighted government policies to promote biofuels, but said roles and responsibilities of all stakeholders must be defined.

Heleen de Coninck, Energy Research Centre of the Netherlands, questioned whether India should take on mitigation commitments prior to 2030, given that predictions indicate per capita emissions will remain low. She argued that CCS could become more financially viable if enabled under the CDM, but said, given current circumstances, she would urge further development of biofuels rather than CCS in India.

Participants discussed: whether India should focus on technologies



Atul Kumar, TERI, India, stressed that international cooperation is essential for enabling the research, development, and technology transfer required to mitigate carbon emissions in India while facilitating poverty reduction and sustainable development.

that target short- or long-term emissions reductions; biofuels and competition for land use; and the potential of biogas in India at the household level, but limitations at larger scales.

More information:

http://www.cicero.uio.no/home/index_e.aspx
<http://www.ecn.nl>
<http://www.teriin.org>

Contacts:

Vivek Kumar (Chair) <kumarv@teri.res.in>
 Gunnar Eskeland <eske@cicero.uio.no>
 Atul Kumar <atulk@teri.res.in>
 Heleen de Coninck <deconinck@ecn.nl>

Shaping post-2012: linking systems, targets and strategies, and encouraging less-developed mitigation and adaptation sectors

Presented by BCSE

Lisa Jacobson, Business Council for Sustainable Energy (BCSE), highlighted the importance of: concluding negotiations on a global climate agreement; a legally binding post-2012 international framework; and mechanisms to ensure a stable long-term market for low carbon technology development.

Jeff Moe, Trane, US, noted that while the building sector is a significant source of greenhouse gas emissions, green building is a significant and cost-effective mitigation source.

Steve Sawyer, Global Wind Energy Council, stressed that the CDM is key for the wind industry and should be expanded and strengthened, highlighting supporting evidence from China.

Robert Tippman, EcoSecurities, summarized emissions reduction targets across various countries, as well as approaches to meeting those targets.

Siobhan O'Keeffe, EcoSecurities, highlighted the benefits of linking together various emissions trading schemes, including market expansion and increased market liquidity. She identified key design features to consider when linking schemes, including: the level of caps; monitoring, verification and reporting standards; and allowance allocation methods.

Colin Moore, EcoSecurities, discussed the un-tapped mitigation and carbon credit generation potential in the agriculture, forestry and rural energy sectors, and provided examples of CDM projects in these sectors that also resulted in co-benefits for biodiversity and health.

Alejandro Kilpatrick, The Global Mechanism, introduced a proposed joint initiative with the FAO that promotes mitigation and adaptation activities in the agricultural, forestry, and other land-use sectors. He said the initiative would target rural farmers and engage the private sector in order to help developing country actors to access financial and technical assistance, and facilitate matching potential investors with rural needs and interests.

Participants discussed: carbon price incentives for clean building development; governmental promotion of clean energy development; linking sub-sovereign emissions trading schemes; private bilateral contracts; and voluntary markets.



Jeff Moe, Trane, US, stressed that an international treaty needs to include clear policy signals, and that governments should adopt policies that drive green building as a significant source of greenhouse gas mitigation.

More information:

<http://www.bcse.org>
<http://www.trane.com>
<http://www.gwec.net>
<http://www.ecosecurities.com>
<http://www.global-mechanism.org>

Contacts:

Lisa Jacobson (Chair) <ljacobson@bcse.org>
 Jeff Moe <jeff.moe@trane.com>
 Steve Sawyer <steve.sawyer@gwec.net>
 Robert Tippman <Robert@ecosecurities.com>
 Siobhan O'Keeffe
 <siobhan.okeeffe@ecosecurities.com>
 Colin Moore <colin.moore@ecosecurities.com>
 Alejandro Kilpatrick <a.kilpatrick@ifad.org>