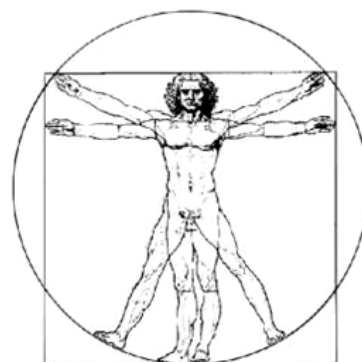

european capacity building initiative (ecbi)

for sustained capacity building in support of the
international climate change negotiations



2008 ecbi BONN SEMINAR

8 JUNE 2008

ALTES RATHAUS, BONN, GERMANY

The ecbi's Fellowship Programme held its traditional Bonn Seminar to coincide with the intersessional meeting of the UNFCCC Subsidiary Bodies in Bonn, Germany. The 2008 Seminar took place on 8 June 2008 at the Old Town hall ('Altes Rathaus') by kind permission of the Lady Mayor of Bonn. The Seminar was part of the continuation of the capacity building activities organised

since 2005 by the Programme and the Initiative. Emphasis was again put on trust-building between negotiators from 'North' and 'South': European ecbi Partners had the opportunity to engage with senior developing country delegates – particularly from Least Developed Countries (LDCs) – some of whom were past ecbi Fellows.



The 2008 ecbi Bonn Seminar was attended by 59 participants from 39 developing and 20 European countries listed in the appended participants list.

During an introductory session, the participants chose a number of topics of interest which they wished to discuss during the Seminar.



High on their list of priorities were the major issues being negotiated at the inter-sessional SB28 meetings, such as adaptation (its financing, its integration in development cooperation); technology transfer and its financing; reducing emissions from deforestation, LDC related issues (NAPAs and their implementation, the LDC Fund, the LDC Expert Group); the future of the CDM and CDM related capacity building; frameworks for finance and the implementation of the 'shared vision' agenda.

After a lunch break, two discussion sessions were held, under which most of the topics identified could be dealt with. The first was on adaptation financing, chaired by Ambassador Enele Sopoaga (Tuvalu); the second on the post-2012 regime and the future of the CDM, chaired by Mr Mama Konate (Mali). Ambassador Bo Kjellen, Dr Benito Müller and Dr Saleemul Huq acted as ecbi resource persons.

Adaptation Financing

Ambassador Sopoaga reminded participants that although the general consensus was that in-country implementation of adaptation actions were urgent, vulnerable countries were very concerned that not much is being undertaken on the ground to address coastal erosion, water problems and damage to vegetation caused by climate change. He suggested that the debate could usefully cover the adequacy of adaptation responses; the linkages between the existing funds under UNFCCC and the newly implemented adaptation fund; the linkages between these funds and those outside the UNFCCC process.

Saleemul Huq gave an update on NAPA implementation. He recalled that the LDC fund, set up in 2001, was based on voluntary contributions and managed by the GEF.

LDCs got \$200.000 to develop their NAPAs with guidance from the LDC expert group. They identified vulnerabilities and possible projects and established a priority list (based on urgency) with the help of other consulted stakeholders. The countries expected the NAPAs to be followed by additional funding for their implementation. So far, only 10-12 projects were being implemented; this low number was resulting in a growing sense of frustration among the LDCs.

The LDC fund stood at \$200 million. The question was now how to get the implementation of the NAPAs to start in earnest. In addition, and although this was not the original intention, there seemed to be a demand that the NAPAs' implementation be mainstreamed into development assistance.

One of the European participants explained that donors regarded the implementation of NAPAs as important; however, they would like countries establish them in a more concerted fashion so that they amounted to more than checklists. European donors are mainstreaming adaptation to climate change into their own portfolios. They also wanted to devise broader adaptation strategies: e.g. examine the relevance of adaptation actions beyond the environment (e.g. by using economic analysis).



This would help convince finance and economics ministries. Finally, they were keen to make progress on ensuring viable solutions in adaptation practice (e.g. via work done on 1/CP.10). In discussion, it was pointed out that donors' mainstreaming of adaptation in their development aid portfolio raised the question of ownership of the projects.

On the question of how best to raise sufficient funds necessary for adaptation, Benito Müller –based on his recent paper on *International Adaptation Finance: The need for an innovative and strategic approach*– explained that as adaptation was for ‘the common good’ the funds should be raised by a levy.



National treasuries being a problem (in that there was a temptation to use the money nationally), it would be best if the proceeds of the levies were raised and kept internationally. The international regime could in fact act as a treasury, and the actions themselves could be left to institutions which were able to manage disaster relief, insurance etc. In order to raise sufficient funds, the levy on the CDM should be expanded to the other mechanisms. This would need consensus in the various groups now discussing the post 2012 framework

Participants from developing countries emphasised again the importance they attached to the NAPAs being implemented. In their view, the NAPAs did not aim at long-term mainstreaming in the countries’ development: their role was to identify short term, urgent needs. Moreover, acting now would start building in-country capacity for adaptation. The main obstacle seemed to be to gain access to the existing funds.

Replying to a question, Saleemul Huq explained that in his opinion, the delay in the implementation of the NAPAs was due in part to the fact that the NAPAs amounted to a list of projects, i.e. project idea notes with a price tag. As such, the projects were not yet fundable. The money needed to draw up a full funding document was not available.

Countries should choose a project and try and draw up a full project proposal document. The LDC fund (via the GEF) was not the only port of call: the in-country offices of development agencies could assist. In any case, NAPA projects should remain country owned.

Developing country delegates explained that they wished to see a sign of potential approval of a project before going to the trouble and the expense to develop a full document. Several of them had made unsuccessful approaches to the development partners. It was suggested that donors should make their criteria known, and even adopt a proactive stance on the funding of adaptation projects.

Ambassador Kjellen suggested that bilateral development agencies may not be designed to handle such large global projects as would arise with climate change. What could be done with ODA was limited. There may be a need for a different, innovative design for international financing.



Concluding this part of the seminar, the Chairman said that a broader strategic approach on adaptation financing needed to be developed. At the same time, the initial understanding on the NAPA process needed to be fulfilled: the resentment building up was bad for the process. One possibility would be to use the existing LDC Fund to work up a project proposal document for each LDC and to get the mainstreaming process up and running; this process should ideally be managed by the ministries for finance and planning.

Future of the CDM post 2012

The participants recalled that in the framework of the AWG on the Kyoto Protocol, discussions were taking place on possible changes which may be brought to the flexible mechanisms, among others the CDM.

José Miguez from Brazil and Martin Hession from the UK held a first lively discussion on that subject, to which others contributed afterwards.

Jose Miguez' personal position was that the present structure and principles of the CDM should not be changed. He explained that environmental integrity was an essential component of it. He saw the inclusion of nuclear power and afforestation as a threat to it. Moreover, he pointed out that adding means to producing CERs to the already vast amount of easily available 'units' such as AAUs from hot air, the CERs from the existing CDM, the units from reforestation projects, could result in the price of CERs crashing. This would, among others, have a negative effect on the share of proceeds for adaptation.

Mr Miguez was opposed to sectoral CDM, whereby a benchmark is established for the crediting of all projects below that benchmark without further additionality check. In Mr Miguez's view, methodologies should be approved, and subsequently applied to every installation in a sector.



As for programmatic CDM, whereby essentially projects are bundled under a common incentive, it was still being tested and had not proven its merits. Transaction costs were likely to be significant. Experience remained to be gathered. It would probably be suitable to small projects (e.g. related to housing) which would then be coordinated and validated under one umbrella.



Martin Hession explained that the CDM so far had been in a sort of pilot phase: a lot of experience had been acquired in the process and there were issues to be addressed. So far, billions had been raised on account of the CDMs potential; the money did not always go to the right places, there had been enormous windfall profits (e.g. on HFCs). The projects funded were not always the most environmentally sound ones. There were still arguments about the additionality test, which consisted of a set of rather subjective criteria; this needed improving. The governance and administration of the Executive Board could also usefully be improved. Mr Hession felt that sectoral CDM needed to be explored.

The market had evolved but there too, there were difficulties. For example, the unilateral projects were criticised for mobilising national, not international funding. Also, it was not expected that the market would deliver technology transfer- the solution to that lay in regulation and domestic policies.

In discussion, several participants from developing countries emphasised again the fundamental nature of the additionality criterion. This was seen as a crucial element of any future CDM, in particular by vulnerable countries. It was important that the CDM did not evolve into being a purely offsetting mechanism, but that it made a net carbon gain.

One participant also made the point that sustainable development often came as a secondary criterion in developing countries; there was very little checking on it. That contribution should be improved in any new CDM regime.

Finally, participants remarked that geographical distribution was slowly improving. Although it would not be realistic to expect 'equitable' distribution to mean equal amounts of reductions in all countries, it was suggested that each developing country should at least host one project. The UNFCCC secretariat should organise capacity building more widely.

Reception at the Altes Rathaus

The event was concluded with a drinks reception at the Altes Rathaus, Bonn.

Participants List

- Austria , Mr. Jesus Garcia Latorre, Federal Ministry of Agriculture, Forestry, Environment & Water Management
- Austria, Mr. Klaus Radunsky, Federal Environment Agency
- Bangladesh, Mr. Mohammed Reazzudin , Director(Technical) - Department of Environment
- Belgium, Mr. Jozef Buys, Director General for the Cooperation of Development
- Benin, Mr. Djibril Ibila, Point Focal National-Changement Climatique. Direction Generale de l'environnement
- Bhutan, Mr. Tshering Tashi, Chief Environment Officer - National Environment Commission
- Bhutan, Mr. Harka b Gurung, Joint Director - National Environment Commission
- Botswana, Mr. Phetolo Phage, Director - Department of Meteorological Services
- Botswana, Mr. David Mmile Lesolle, Chief Meteorologist - Ministry of Environment, Wildlife and Tourism.
- Botswana, Mr. Ontlogetse Dikgomo, Principal Hydrological Engineer
- Brazil, Ms. Branca Americano, Advisor - Ministry of Science and Technology
- Brazil, Mr. Jose DG Miguez, Executive Secretary - Ministry of Science and Technology
- China, Ms. Li Ting, Director - Climate Change Office - Department of Treaty and Law - Ministry of Foreign Affairs China, Mr. Duan Maosheng, Tsinghua University-Energy - Environment and Economy Institute
- EC, Mr. Marco Morettini, European Commission-DG Development
- France , Mr. Paul Watkinson , Ministere d'Ecologie, du Developpement
- France, Mr. Fredeic Schafferer, Ministere d'Ecologie, du Developpement durable et de l'Amenagement du Territoire
- Gambia, Ms. Gaye Fatou, Principal Livestock Officer - Department of Water Resources
- Germany, Mr. Lorenz Peterson , - Project Director Climate Policy Programme - German Technical Cooperation
- Germany Ms. Nana Kunkel, Climate Policy Expert - Climate Policy Programme - German Technical Cooperation
- Ghana, Mr. William Kojo Agyemang-Bonsu, Environment Protection Agency
- Ghana, Ms. Patience Dampsey, Deputy Director - Ghana Energy Commission
- Guinea, Mr. Joseph Sylla, Chef de Division - Ministere de l'Agriculture, de l'elevage, de l'environnement, des eaux et forets
- Guinea, Mr. Mohamed Lamine Doumbouya, Chef de Division - Ministere de l'agriculture, de l'elevage, de l'environnement, des eaux et forets
- India, Mr. Rajani Ranjan Rashmi, Joint Secreatry - Minisrty of Environment
- India, Mr. G. Srinivasan, Scientist - India Meteorological Department
- Ireland, Ms. Tara Shine, Department of Foreign Affairs
- Kenya, Ms. Emily Massawa, Coordinator - Climate Change Enabling Activities - National Environment Management Authority
- Lesotho, Mr. Motsomi Maletjane, Meteorologist - Lesotho Meteorological Services
- Lesotho, Mr. Limomane Peshoane, Lesotho Meteorological Services
- Mali, Mr. Diarra Birama, Chef de Division - Ministere de developpement - Direction nationale de la meteorology
- Mali, Mr. Boubacar Dembele, Secretariat Technique Permanent du cadre institutionnel de la gestion des questions environnementales
- Mali , Mr. Mama Konate, Director - Direction nationale de la meteorology

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- Mexico ,Ms. Julia Martinez, Coordinadora del Programa de Cambio Climatico - Instituto nacional de Ecologia
 - Norway , Mr. Peer Staisen , Senior Advisor - Ministry of Environment
 - Niger, Ms. Safi Bako Solange, Secrétariat Exécutif. Conseil National de l'Environnement. pour un Développement Durable.
 - Mr. Hassane Saley, Executive Secretary, National Council for Environment and Sustainable Development
 - Pakistan , Mr. Farrukh Khan , Director- Ministry of Foreign Affairs
 - Sao Tome and Principe, Mr. Aderito Santana, Director - National Metrological Institute
 - South Africa, Ms. Lwazikazi Tyani, Director - Department of Minerals and Energy Affairs
 - South Africa, Ms. Mangi Mgquba, Senior Negotiator - Department of Minerals and Energy Affairs
 - South Africa, Ms. Deborah Ramalope, Senior Policy Advisor - Department of Environment and Tourism
 - South Africa, Ms. Lydia Greyling, Director - Department of Foreign Affairs
 - South Africa, Ms. Tshilidzi Dlamini, Department of Minerals and Energy Affairs
 - Spain , Mr. Santiago Santillan, Jefe de Servicio de Cooperacion al Desarrollo y Cambio Climatico - Ministerio de Medio Ambiente y Medio Rural y Marino
 - Sweden, Mr. Bo Kjellen, Stockholm Environment Institute, Senior Research Fellow
 - Sweden, Ms. Agnes V Gersdorf, Ministry of the Environment
 - Sweden , Mr. Andres Turreson , Ministry of the Environment
 - Tanzania, Mr. Richard Muyungi , Vice President's Office - Assistant Director of Environment
 - Togo ,Mr. Tomyeb a Komi, Direction de l'environnement, UNFCCC Focal point
 - Tuvalu, Mr. Ian Fry , "Department of Environment Ministry of Natural Resources and Environment
 - Tuvalu, Mr. Enele Sopoaga, Ambassador, Permanent Representative to UN, Embassy of Tuvalu
 - UK/Defra, Mr. Martin Hession, Department for Environment, Food and Rural Affairs
 - UK/Difd, Mr. Jos Wheatley, Department for International Development
 - Switzerland , Mr. Jose Romero , Swiss Agency for the Environment, Forests and Landscape, UNFCCC Focal point
 - Zambia, Mr. Kenneth Nkowanani , Ministry of Tourism, Environment and Natural Resources, UNFCCC Focal point/Director
 - ecbi Mr. Benito Muller , ecbi, OPC, Managing Director, Head of the Fellowships Programme
 - ecbi, Mr. Saleem Huq, ecbi, IIED Head of the Workshop Programme
 - ecbi, Ms. Claire Parker, consultant
 - ecbi, Ms. Izabela Ratajczak Juszko , ecbi, OCP, Deputy Director, Logistics & Communication
 - ecbi, Ms. Catherine Pettengell , ecbi, IIED
 - ecbi, Mr. Patrick O'Donoghue, Stockholm Environment Institute, Intern

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