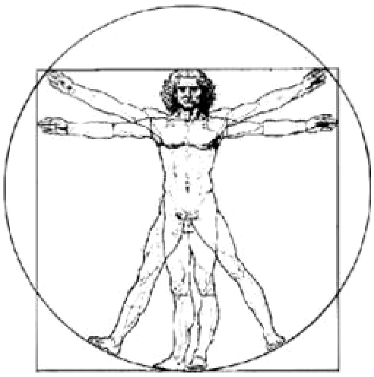
european capacity building initiative (ecbi)



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

2007 ecbi REGIONAL WORKSHOP FOR EASTERN AND SOUTHERN AFRICA 24 TO 26 SEPTEMBER 2007, BAGAMOYO, TANZANIA

The 2007 European Capacity Building Initiative (ecbi) Workshop for Southern and Eastern Africa took place in Bagamoyo, Tanzania, from 24 to 26 September 2007. The workshop was attended by delegates from Botswana, the Comoros, Kenya, Lesotho, Malawi, South Africa, Sudan, Tanzania, Uganda and Zambia. In addition to the UNFCCC focal points, many of the delegates came from Finance and Planning ministries, thus enlarging the scope of the discussions and ensuring a wider recognition in their countries of the current issues linked to climate change.

Richard Muyungi, Assistant Director of Environment, Vice President's Office, Tanzania, welcomed the delegates on behalf of the host country. Four ecbi resource persons assisted with the workshop. As in the previous ecbi workshops, the emphasis was on eliciting informal but focused discussions between the participants. The overarching theme was preparing for the forthcoming UNFCCC meeting of the Parties (COP13 and COP/MOP3, Bali, December 2007). Delegates less familiar with the concepts underpinning the climate change debate were given an introductory talk. All were given a thorough overview of the issues on the COP- COP/MOP agendas. Senior participants then gave more detailed presentations about the key issues for African countries. A summary of the discussions and conclusions on these issues is given below.

The post 2012 UN climate change regime

It is expected that the meeting in Bali will mark the start of the actual UN negotiations on the post 2012 regime (so far, only preparative meetings and talks have taken place within the AWG1 and the Dialogue2). A consensus is emerging that the new regime should be in place by 2009 latest. The three coming years will therefore be crucial to the shaping of the regime, and will give developing countries a window of opportunity to assert their needs and make their opinions heard. Climate change will go on, and will affect all of them, in particular the poorest. The negotiations will be held in the light of the urgency signaled by the IPCC's Fourth Assessment Report (AR4). The AR4 concluded that there is now a very strong certainty that the substantial changes in climate parameters observed in the last decade of the 100 previous years are to be attributed to rising greenhouse gas (GHG) concentrations in the atmosphere.

Participants noted that currently, the drivers of the process towards a post 2012 regime in the G77 are: AOSIS (who played a strong role in defending the SIDS' interests); the LDCs (who have become more effective); and the African Group (who needs to engage as much as possible). The EU is the main actor among the Annex I Parties. Some initiatives outside the UN framework are promising for the longer term: in the US, the states and cities are taking steps to curb emissions in the absence of action by the Federal administration.

In view of their substantial and increasing emissions, the major developing country emitters need to become engaged in the process and make efforts towards mitigation. Even though it is highly improbable that emission targets for any NAI Parties will be agreed, the AI will want these Parties integrated in the future regime in other ways, some of which had been discussed at the recent ecbi Oxford Seminar: for example achieving emissions reductions through the adoption of climate

[1] Ad Hoc open ended Working Group on Further Commitments for Annex I Parties

[2] Dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention

friendly sustainable development policies. The Oxford Fellows also suggested a possible differentiation of developing countries' roles according to their emissions.

For the developing countries, it is crucial that an adequately financed framework for adaptation and technology transfer (including adaptation technology) is part of the new regime. This is particularly important for vulnerable countries (mainly the LDCs and the African countries) whose adaptation needs will be high and who so far have had little or no access to CDM projects. These countries need to negotiate from a position of knowledge and strength; their demands need to be used to get concessions not only from AI Parties but also from large emitters among the G77.

Adaptation Funding

According to a recent review by the UNFCCC secretariat on financial and investment flows, the needs for adaptation funding will amount to 28 to 67 bn USD in 2030. Present funds based on donations from rich countries won't suffice: the GEF's Strategic Priority for Adaptation (SPA), the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) now stand at a total of USD 225m (including pledges). Moreover, these funds based on voluntary donations from rich countries; disbursements are made through the GEF. The Adaptation Fund, on the other hand, is made up of the share of proceeds of transactions under the CDM (the 'adaptation levy') which have been 'earned' in and by developing countries as well as by the investors in such projects. Its potential has been estimated at USD 425m through 2012, but this depends on current and future CDM (at present data, it holds he equivalent of USD 35m). However, the AF could dwarf all other adaptation funds, especially if the adaptation levy was to be extended to other carbon transactions (JI, ET). The AF's governance is therefore of utmost importance to developing countries in need of adaptation funding.

The participants recalled that at Nairobi in 2006, COP/MOP2 agreed on principles, modalities and some governance criteria for the Adaptation Fund; in May 2007, SBI 26 agreed on eligibility criteria, priority areas and monetizing the share of proceeds. Importantly, COP/MOP decided that the AF 'should operate under the authority and guidance of and be accountable to the COP/MOP'. The institutional arrangements are still under discussion (and will hopefully be decided upon at COP/MOP3). At the Oxford Seminar, the Fellows expressed clear preference for the fund to be managed by a 'stand-alone' operating entity other than the GEF and an expert executive body; a decision-making format should be established that genuinely guarantees the authority of the COP/MOP over the Fund. They proposed that the AF executive body be made up of financial and adaptation experts chosen by the COP/MOP and operating in their personal capacity. The day-to-day running of the AF could then be delegated to a Secretariat either housed within an existing organisation or even set up as a separate entity.

The participants took note with great interest of the Fellows' conclusions. They also noted that developing countries had for some time expressed misgivings at the possibility of the AF being managed by the GEF, as experience so far has shown that this results in favoring mitigation projects in the larger countries.

Technology Transfer

The participants heard a presentation about what contributes to the value and effectiveness of technology transfer (TT). Among those was the replacing the 'linear pattern' of invention => innovation => adoption => diffusion by a more iterative and interactive process that take into account cultural factors and local circumstances. So far, TT has focused on mitigation technologies and a North-South transfer. The Nairobi Work Programme on adaptation calls for the 'promotion, the development and dissemination of methods and tools for assessment and improvement of adaptation planning, measures and actions'. The view was expressed that adaptation technology was less easy to transfer, as it was more diffuse; a South-South transfer would be most appropriate to the needs.

There are calls for the post-2012 UNFCCC regime to include legally binding instruments on TT (including adaptation technology) and for a 'Technology Development & Transfer Board' to be created. Funding for TT – together with adaptation funding- is a key demand from developing countries. Innovative ways of funding TT will need to be created, as the main stumbling block so far has been the intellectual property rights mostly held by first world private sector.

Reduction of Emissions from Deforestation in Developing Countries (REDD)

Land use & land use change (LULUCF) accounts for 20%+ of total global carbon emissions and for most carbon emissions in low-income countries. Work is ongoing within UNFCCC to identify approaches towards stimulating action to reduce emissions from deforestation in developing countries (REDD). It is suggested that the range of policy approaches and positive incentives for REDD is to be examined in the context of the discussions on the future climate change regime.

Participants discussed options, one of which is to include REDD projects in the CDM. It was pointed out that the technicalities surrounding this option are intricate and require a lot of data to be collected. Moreover, there is concern about REDD credits 'swamping' the carbon market. Another option is to establish a specific fund (forest retention fund? stabilization fund?) to provide incentives for preserving forests. The negotiations on the REDD issue will be complicated by the fact that it cuts across all negotiating groups.

The CDM

Participants noted that experience with the CDM now exists (methods are in place and continue to be developed) and that opportunities are attractive for big emitters. However, problems remain, in particular for LDCs and SIDS: costs are prohibitive for small projects; partly because of that, there is no fair geographical distribution of projects; the most vulnerable countries are left out.

It is important to use the opportunity provided by the post 2012 regime to 'reform' the CDM. Different options were suggested: one was to emphasize the Sustainable Development criteria provided for by Art 12 of the Kyoto Protocol. Another was to make conditions imposed on small CDM projects less stringent, while keeping the value and tradeability of CERs intact. Both options might be assisted by the setting up of a CDM Fund for smaller, SD based projects. Options under discussion included programmatic CDM (growing number of projects over time); bundling (a number of projects – one time); policy (using policy approaches to addressing/implementing CDM) and benchmarking

Conclusions of the Workshop

Participants acknowledged the ecbi's continuing valuable assistance in helping them prepare for important negotiations. The present workshop had been specially valuable to participants from ministries other than those involved in the UNFCCC process, for most of whom it had been a first contact with climate change related issues. They now better understood the need for cross-ministerial involvement and were more aware of the resource implications of the climate change issue- both nationally and internationally. They were looking forward to disseminating the information in their ministries and if possible, across the administration.

List of Participants

Botswana, David Lesolle, Ministry of Environment, Wildlife & Tourism

Botswana, P Phage , Department of Metereological Services

Comoros, Said Cheik , Ministry of Finance

Lesotho, Motsomi Maletjane , Lesotho Meteorological Services

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South Africa, Barney Kgope, South African National Biodiversity Institute

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