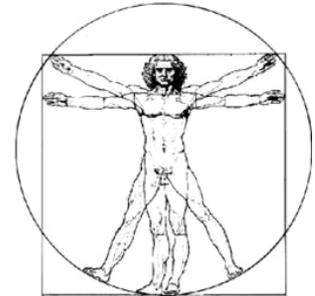

European Capacity Building Initiative (ECBI)

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



2007 ECBI Regional Workshop for SOUTH AND SOUTHEAST ASIA

29 – 31 October 2007

AIT Conference Centre Bangkok, Thailand



Introduction

The second ecbi Regional Workshop for South and Southeast Asia was held in Bangkok, Thailand from 29 to 31 October 2007. It was attended by 13 participants from 7 countries (Bangladesh, Cambodia, Indonesia, Laos, the Maldives, Pakistan and Vietnam). Two representatives from UNEP joined the discussions on specific topics and 6 ecbi resource persons assisted with the workshop.

The aim of the workshop was to introduce participants to the agenda and the key issues for the forthcoming UNFCCC meeting of the Parties (COP13 and COP/MOP3) which will be held in Bali in December 2007. As many of the delegates were less familiar with the major topics in the climate change debate, resource persons made introductory presentations on the scientific basis of climate change; the context in which the new UNFCCC regime is being negotiated; the CDM and technology transfer. The participants were also given a thorough overview of the issues on the COP- COP/MOP agendas, a presentation on adaptation and the Adaptation Fund. A summary of the discussions and conclusions is given below.

The post 2012 UN climate change regime

The Indonesian participants had brought to the meeting the Chairman's summary of the Informal Ministerial Meeting Informal held in Bogor, 23-25 October 2007 to prepare the Bali meeting. The outcome of that meeting had led to optimism and the expectation that COP13 and COP/MOP3 would see the start of the actual UN negotiations on the post 2012 regime. There was now a reasonable consensus that the new regime should be in place at the latest by 2009. This had in part been achieved as a result of the IPCC's Fourth Assessment Report (AR4), which had 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.

The new regime will be shaped during the three coming years. Developing countries' negotiators

should ensure that during that period, they are as well prepared as possible to seize the opportunity to assert their needs and make their voices heard. This requires knowledge of the issues, of the linkages between the issues and of the possible trade-offs between negotiating groups with different interests. The G77 Group should aim at as many consensus positions as possible- this may be complicated by the fact that the bigger emitters among the developing countries are expected to contribute to the global mitigation efforts and may not yet be ready to do so. This contribution could take on several forms, among others climate friendly sustainable development policies. The inclusion in the new regime of provisions on adaptation and its funding, as well as on technology transfer, is seen as a crucial element by all developing countries.

Adaptation and Adaptation Funding

The participants were given an introduction to the issue of adaptation and its importance for vulnerable countries. Climate change impacts could no longer be avoided; anticipatory action was more effective and there were immediate benefits to be gained. Adaptation has been dealt with so far under the present UNFCCC regime. It was pointed out that only in 2001 did adaptation gain momentum with the adoption of 'milestone decisions'. Since then, a detailed work programme on impacts and adaptation has been adopted; however, this 'Nairobi Work Programme' consisted mainly of studies, workshops and synthesis reports and did not contain plans for action on the ground. It was important for developing countries to ensure that adaptation becomes one of the main building blocks of the post 2012 regime, on equal footing with mitigation. The right to compensation for climate change victims or refugees should be an area to be looked into and adequate resources should be made available to reduce vulnerability and to adapt to or manage future risks

Participants then discussed the Adaptation Fund (AF), on the basis of a presentation made at the Oxford Seminar in September 2007. The AF is made up of the share of proceeds of transactions under the CDM (the 'adaptation levy') which have been raised in and by developing countries as well as by the investors in such projects. It is

in fact an international tax on the CDM transactions. The GEF's Strategic Priority for Adaptation (SPA), the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) on the other hand, are all funded from voluntary donations by rich countries. They won't be sufficient to cover the huge financial needs for adaptation (estimated at 28 to 67 bn USD by 2030) as they now stand at a total of USD 225m (including pledges). Disbursements on these funds are made through the GEF; the modalities of these disbursements were explained to the participants.

The AF could potentially make a significant contribution to the adaptation needs of vulnerable countries, especially if innovative ways of financing were put in place, including levies on emission trading and joint implementation, as well as an 'adaptation levy' on international flights. These combined have the potential to raise billions of dollars a year.

In 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 will hopefully be decided upon at COP/MOP3 in Bali. 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. In addition, all agreed that a decision-making format should be established that genuinely guarantees the authority of the COP/MOP over the Fund. The Fellows 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 discussed previous experience with GEF funding and problems encountered by developing countries, who feel insufficiently well

www.eurocapacity.org

represented on the GEF Council. It was pointed out that the governance of the Adaptation Fund by the GEF would be the default position at Bali; participants were encouraged to reflect on the discussions at the present workshop and to inform their countries' delegations at Bali of them.

Preparatory meeting for negotiators from Asia in the lead-up to UNFCCC COP13/CMP

The UNEP representative presented the main conclusions reached at a meeting of Asian negotiators that was held the previous week in Bangkok. She said that 37 UNFCCC Parties had participated, but that neither China, nor India, nor Saudi Arabia was represented. The most heated discussions had been about the possible participation of non Annex I countries in future mitigation efforts, and how differentiation between NAI countries should be effected. The participants at the meeting had expressed the view that the Dialogue under the Convention should continue. They had discussed the results of the IPCC's AR4 and what a global temperature increase of 2-4 °C would mean for the Asian region. They had also discussed the gap between the adaptation needs of the region and the mobilization of financial resources for it.

Reducing Emissions from Deforestation in Developing Countries (REDD)

The participants were given a short presentation about the issues surrounding the current REDD debate and were reminded that 20% of the total global GHG emissions were from deforestation. Methodological issues, including permanence, were crucial; ownership of land in developing countries created complications. There was a distinct possibilities that, as is the case with the CDM, large countries would get the bulk of the credits; there needed to be a deforestation problem for a country to benefit. Moreover, the credits raised by avoiding deforestation, while difficult to trade outside the Kyoto system, would potentially swamp the other Kyoto credits if traded together. At the Oxford Seminar, it had

been suggested that a REDD credit system may be combined with a fund to assist REDD projects in smaller countries. In the discussion, it was pointed out that the voluntary carbon offsetting market may absorb the credits generated by pilot REDD projects.

The Clean Development Mechanism (CDM)

After a short presentation on the basic concepts underlying the CDM, the participants discussed the situation regarding CDM projects in their countries, most of which had not yet benefited from the CDM as often potential emission savings had been too low to attract investors. They looked to programmatic CDM, which had only recently been approved, to improve this situation. However, there was still no possibility to include SD policies and measures into the CDM. It was suggested that developing countries could carry out pilot projects (even if they had to request a small grant to do so) to get to know first-hand the various stages of the project cycle. They should also encourage their own private sector to get involved rather than to await interest from private companies from AI countries.

Transfer of Technology (TT)

In a short presentation, participants were reminded that 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.

G77 countries have called 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. These countries also demand that a specific source of funding for TT be created to overcome the

www.eurocapacity.org

problems created by the fact that the first world private sector mostly holds intellectual property rights to the technology.

Conclusions

The participants expressed their interest in having learnt about the main issues under negotiation, and the implications for their countries. They undertook to brief their country's delegation to the forthcoming UNFCCC negotiations about these issues and about the positions expressed by the other participants.

The workshop had been a good opportunity for South East and East Asian civil servants and negotiators involved in climate change to meet and get to know each other.

The participants not directly involved in climate change had learnt about policy issues they had so far not been confronted with and were now in a better position to make informed contact with their countries, climate change negotiators and possibly to join them in the future.

Workshop Participants

title	name	country	institution
Mr.	Ahmed Bashir Uddin	Bangladesh	Ministry of Environment and Forest
Mr.	Mohammad Reazuddin	Bangladesh	Department of Environment
Mr.	Harka B Gurung	Bhutan	National Environment Commission
Ms.	Dechen Tsering	Bhutan	UNEP
Mr.	Kim Phalla	Cambodia	Ministry of Economy and Finance
Mr.	Long Rithirak	Cambodia	Ministry of Environment
Ms.	Upik Sitti Aslia	Indonesia	Ministry of Environment
Ms.	Mahanani Kristiningsih	Indonesia	Ministry of Environment
Mr.	Khonekeo Kingkhambang	Laos	Prime's Minister Office
Ms.	Bouangeun Oudomchit	Laos	Department of Meteorology and Hydrology
Mr.	Ibrahim Naeem	Maldives	Ministry of Environment, Energy & Water
Mr.	Javed Khan	Pakistan	Ministry of Finance
Mr.	Le Nguyen Tuong	Vietnam	Institute of Meteorology, Hydrology & Environment
Mr.	Saleemul Huq	ecbi	IIED, Climate Change Programme
Mr.	Benito Müller	ecbi	Oxford Climate Policy
Mr.	A. Atiq Rahman	ecbi	Bangladesh Centre for Advanced Studies
Ms.	Claire Parker	ecbi	Independent Consultant
Ms.	Ilona Millar	ecbi	Field
Ms.	Izabela Juszko	ecbi	Oxford Climate Policy
Mr.	Mikael Roman	ecbi	Stockholm Environment Institute