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Global Climate Change and Carbon Financing Opportunities for Bangladesh

**International cooperation on climate change:
pathways to a global agreement**

29 October 2009

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Outline of Presentation

Overview of climate change negotiations

- United Nations Framework Convention on Climate Change in brief
- Current status
- Expected future directions

Kyoto Protocol

- Brief history and current status
- Expected future directions

From Bali to Copenhagen

- Reduced Emissions from Deforestation and Forest Degradation (REDD)
- Others related to Land Use, Land Use Change & Forestry (LULUCF)
- Non-terrestrial carbon aspects – in brief

Imagining a “Post-2012” world



Overview of international environmental agreements

What are all these treaties and conventions and protocols about?

- Earth Summit in Rio de Janeiro, Brazil in 1992: Agenda 21 and several international /multilateral environmental agreements (known as MEAs):
 - ✓ Framework Convention on Climate Change (UNFCCC)^{***} – New York, 1992
 - ✓ Convention on Biological Diversity (CBD)^{***} – Nairobi, 1992
 - ✓ Convention to Combat Desertification (CCD)^{***} – Paris, 1994
 - ✓ International Tropical Timber Agreement (ITTA) – Geneva, 1994
- Supplemented other relevant MEAs signed before the Rio Summit
 - ✓ Convention on Protection of Wetlands of International Importance – Ramsar, 1971
 - ✓ Convention on International Trade in Endangered Species (CITES) – Washington, 1973
 - ✓ Convention on Conservation of Migratory Species (CMS) – Bonn, 1979
 - ✓ Convention for Protection of the Ozone Layer – Vienna, 1985 [Montreal Protocol 1987]

Which of these has Bangladesh signed/acceded to/ratified?

- All of the above except the Convention on Migratory Species
- Accession to UNFCCC Kyoto Protocol 8 years ago last week

^{***}: These three are commonly referred to as the “Rio conventions”



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UNFCCC in brief

What is it and what does it do?

- Legally-binding treaty to address global climate change (GCC) in a coordinated and collaborative manner; in force 1994; key provisions :
 - ✓ Parties (governments) will gather and share information on greenhouse gas (GHG) emissions, national policies, and best practices for addressing GCC
 - ✓ Parties will launch national strategies for addressing GHG emissions and adapting to impacts, including (for Annex 1 countries) sharing financial & technological resources
 - ✓ Parties will cooperate with one another in preparing to adapt to GCC impacts

How do the Parties do this?

- Conference of Parties (COP): supreme body, meets annually; reviews status of implementation and makes decisions related to the Convention
 - ✓ Subsidiary Body for Implementation: advises Parties on issues related to emissions reporting, national communications, and financial mechanisms
 - ✓ Subsidiary Body for Scientific & Technological Advice: promotes transfer of env. friendly technologies; advise on reporting methodologies, other scientific issues
- Intergovernmental Panel on Climate Change: established 1988; conduct & compile research on climate change; produces assessment reports



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Kyoto Protocol to UNFCCC

What is it and what does it do?

- Amendment to UNFCCC, signed in 1997 at COP-3 in Kyoto, Japan
- Key difference: UNFCCC encourages industrialized countries to reduce emissions while Kyoto commits them to doing so; 184 Parties ratified
- 37 countries and European Community to reduce GHG emissions by 5% of 1990 levels within first commitment period (2008-2012)

How is the Kyoto Protocol implemented?

- Meeting of the Parties to the Protocol held annually with UNFCCC COP
- Registry systems track actual emission reductions, report annually
- Compliance Committee develops procedures and mechanisms
- Adaptation Fund for developing country adaptation projects; funded through assessment on each CDM transaction at 2% of CERs value
- Carbon markets – JI, CDM, ET – officially established under Kyoto
- Intense (frantic?) negotiations now underway for 2nd commitment period



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From Bali to Copenhagen

Bali Road Map

- Adopted at COP-13, held in Bali, Indonesia in Dec. 2007
- Parties agreed to timetable for new negotiation process by COP-15
- Tasked two Ad Hoc Working Groups with core responsibilities:
 - ✓ AWG-KP (ad hoc working group on further commitments for Annex I parties to Kyoto Protocol): new targets, emissions trading, LULUCF, methodologies
 - ✓ AWG-LCA (ad hoc working group on long-term cooperative action under the Convention): shared vision, mitigation, adaptation, technology , and finance

Copenhagen – what's the big deal? Or will there even be a deal?

- Copenhagen is host city for COP-15 in December 2009
- It matters because Kyoto Protocol's 1st commitment period expires 2012
- Four key items to clarify: new targets; developing country mitigation; adaptation & mitigation financing, tech. transfer; institutional changes
- Main issues of contention relate to equitable distribution of costs of mitigating GHG emissions – China and US not yet on same side of this



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Land-based carbon (1)

REDD+ - closer to a deal than ever before

- Reduced Emissions from Deforestation & Forest Degradation (REDD) – process of discussions began in 2005 to recognize avoided emissions
- REDD+ conservation became an official agenda item in Bali Action Plan
- Methodologies discussed at technical meeting in Japan in June 2008, Bonn (Jun. 09); policy issues tackled in Accra (Aug. 08), Bonn (Jun. & Aug. 09), Bangkok (Oct. 09) and upcoming Barcelona (Nov. 09)
- Close to consensus but latest text still heavily bracketed = no decision
- SBSTA has been developing scientific basis for methodological guidelines to be used for standardized measurement and reporting
- Key issues still to be resolved include those related to permanence, leakage, verification, transaction costs, and indigenous peoples' rights
- Outside actors in methodological debates: e.g., Sasaki & Putz recently proposed revising definition of “forest” to lower degradation monitoring
- Bottom line (external observer): it will happen but details will come later



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Land-based carbon (2)

Land Use, Land Use Change, and Forestry (LULUCF)

- Covers reducing emissions caused by land use activities and removing GHGs into “sinks”
- Recognized as one of the most cost-effective ways to address GCC
- Includes actions in both agriculture and forestry sectors
- REDD+ is a subset of LULUCF activities, which also include improved land management practices in six broad land-use categories:
 - ✓ Forests
 - ✓ Croplands
 - ✓ Grasslands
 - ✓ Wetlands
 - ✓ Settlements
 - ✓ Other lands
- Examples of actions include reduced impact logging, rangeland rehabilitation, reduced burning of agricultural residues, many more



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Imagining a “Post-2012” world: opportunity & challenge

Transformation of energy sector

- A few technologies for renewable energy are ready to go to scale
- Increased emphasis on energy efficiency is “low-hanging fruit”

Transport fuels

- 1st-generation biofuels have mixed results; many issues remain
- 2nd- and 3rd-generation biofuels may have more promise in Bangladesh

Land-based mitigation

- REDD+ expectations are high; results on ground so far are mixed
- Other LULUCF opportunities in agricultural subsectors; e.g., rice

Adaptation

- Bangladesh is on the front line; recognized by international community
- Commitments to financial assistance are beginning to flow but slowly



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