

Summary Record

“Working Together to Respond to Climate Change” Annex I Expert Group Seminar in conjunction with the OECD Global Forum on Sustainable Development

27-28 March 2006, Paris

Monday 27 March

Sessions 1 & 2: Opening and Welcome

Harald Dovland, Chair of the Annex I Expert Group, opened the forum and outlined the four topics on which the seminar would concentrate: making the Clean Development Mechanism (CDM) operational; potential “sectoral crediting mechanisms”; technology and adaptation. The aim to achieve open dialogue between AIXG and invited non-Annex I participants on technical and analytical issues was highlighted. The Chair also expressed appreciation for the financial support from the World Bank, the European Commission and other countries that made the OECD Global Forum possible and noted that, as a result, this particular forum had the largest number of participants from developing countries to date.

Kiyo Akasaka, Deputy Secretary General, OECD, welcomed participants and noted that 2006 is a crucial year for climate change negotiations. He indicated the importance of finding common ground, solutions that fit the needs of each country and engaging in a dialogue with non-member countries in a relaxed and informal setting.

Janos Pasztor, of the UNFCCC Secretariat, gave an update on recent events under the UNFCCC, highlighting key achievements from Montreal: the “two-track” approach to developing future commitments under the Kyoto Protocol and steps under the Convention, implementation of the Kyoto Protocol, adaptation and technology co-operation.

Session 3: Experiences and Approaches Related to Making CDM Operational

This session focused on experiences with the Clean Development Mechanism (CDM) in different countries and regions, recent developments in the CDM market, and issues related to implementing “project activities under a programme of activities” under the CDM (PCDM).

Fabian Scharf and Jane Ellis (OECD) outlined developments in the CDM market¹. Continued rapid growth is noted in terms of:

- Expected credit generation: proposed CDM projects currently in the pipeline are expected to generate 1.3 billion credits by 2012 – up 35% from the estimation carried out four months previously.
- Numbers of proposed projects: almost 920 – up 37% from the previous estimation, and
- The number of registered CDM projects: 145 – up from 35 projects four months previously².

CDM projects vary in terms of project types/sectors and locations. For example, CDM projects are now proposed in 63 different host countries. These encompass projects reducing emissions from energy supply, energy demand, industry, waste management, fossil fuel production/distribution, transport, agriculture, forestry and carbon capture and storage. However, projects that reduce emissions of gases with a high global warming potential dominate (particularly projects in industrial sectors that reduce emissions of

¹ This information was subsequently updated, and is available as *The Developing CDM Market: May 2006 Update*, along with all other papers and presentations, at www.oecd.org/env/cc/GFSD2006.

² Growth is continuing at a rapid rate, with more than 1000 proposed projects in the pipeline and more than 200 registered projects by the beginning of June 2006.

HFC23 and N₂O, which together account for 41% of expected credits). Three countries (China, India and Brazil) together expect to generate 58% of the currently projected credits.

Pamposh Bhat (CDM-India, GTZ Indo-German Energy Programme) presented information on CDM developments in India. By early March 2006, the Indian designated national authority (DNA) had approved more than 250 proposed CDM projects (more than any other country), which are expected to generate more than 220 million CERs to 2012³. More than half these expected credits are from renewable energy or energy efficiency projects. Projects that reduce emissions of industrial gases account for approximately another quarter of the CDM portfolio in India. A further 200 proposed CDM projects are in the pipeline, including those involving natural gas (e.g. gas-fired power generation and reduction of gas flaring).

Several challenges to the further development of CDM projects were also highlighted. These include the availability of project financing, as well as, the low awareness of the CDM among potential stakeholders, including public service utilities and small/medium size enterprises. Challenges at the national policy level (e.g. the creation of a vehicle for small, medium and large sellers) and the project level (e.g. the need for better quality, transparent and comprehensive documentation) were also identified.

Liana Bratasida (Ministry for Global Environmental Affairs and International Cooperation, Indonesia), highlighted recent CDM portfolio and institutional developments in Indonesia and Thailand and assessed the potential impact of the CDM on national policies and regulations. Both countries' CDM portfolio contains renewable energy activities, but Indonesia's portfolio also includes some projects in the land-use change sector while Thailand's includes manure/waste management projects.

Both the potentially positive and negative impacts of the CDM on national policies and regulations were outlined. For example, Indonesia is revisiting its policy on power purchase agreements (PPAs) for independent power producers. It was indicated that the CDM may help to create more transparent regulations and clear guidelines relating to PPAs (as potential credit buyers are only interested in projects that already have a PPA with the state electricity company). Conversely, the CDM may also discourage the development of policies and regulations, if such development would reduce credit generation from potential CDM projects. The need to avoid such perverse incentives, e.g. through implementing sectoral CDM or CDM activities to support national policies, was highlighted. On the institutional level, a new DNA structure has been proposed in Thailand: the original structure required submitting each proposed CDM project to the cabinet for final approval.

Christiana Figueres (Independent consultant) presented an assessment of CDM trends in Latin America – in terms of the current CDM portfolio, the “near-term” pipeline (projects under development, but not yet publicly available) and institutions. She highlighted the continuing importance of renewable energy and landfill projects in the region – in terms of existing/pipeline projects and expected credits. The importance of reforestation projects in the region may increase, as they account for a significant proportion (17%) of the near-term project pipeline. Many projects, particularly those involving renewable energy, are small-scale.

She noted that both technical and institutional CDM capacities in the region have increased, with a better understanding of the project cycle in the public and private sectors. This is due to several factors, including the availability of approved methodologies for several project types, intra-regional co-operation and the emergence of regional CDM consulting companies. The role of DNAs is also shifting from that of a promoter/developer towards that of a regulator.

Jane Ellis (OECD) outlined experience with CDM “programmes” and “bundles” and assessed the implication of the COP/MOP1 decision rendering “programmes”⁴ eligible under the CDM. There is a large potential for GHG-mitigation in sectors such as energy efficiency and transport that are currently under-represented in the CDM portfolio. However, there is also a large potential for “free riders” if all

³ This number is growing rapidly, and had reached almost 300 by the end of May 2006

⁴ Decision 4/CMP.1 indicated that “project activities under a programme of activities” could be registered as a CDM project activity.

programmes to implement GHG-mitigation actions in these sectors are eligible for the CDM. More than 25 CDM projects have already been registered that involve GHG mitigation actions at more than one, in fact up to several thousand, different sites. These project activities sometimes involve activities in more than one sector and more than one project type, and have previously been labelled both “bundles” and “programmes”.

She indicated that top-down guidance, especially definitions of “programmes” and “bundles” and an indication of their differences/overlap, would help in implementing the COP/MOP1 decision on CDM “programmes”. She also noted that the current guidance of the Executive Board for CDM project activities may need to be modified for CDM “programmes”, e.g. the provision requiring a single starting/end date for a project’s crediting period(s), and that any forthcoming guidance may need to distinguish between “regular” CDM and CDM “programmes”, e.g., when assessing additionality or avoiding double-counting).

The discussion focused on the issue of “programmes” in the CDM. The potential for CDM “programmes” to change the sectoral – and regional - split of the CDM portfolio was echoed by several participants. The importance of an active host country government in promoting the development of CDM “programmes” was also highlighted, as the large number of diffuse emission sources involved in such programmes does not make for “easy” CDM projects. Several participants also outlined the need for incentive frameworks that would encourage investments in CDM projects with high GHG reductions and sustainable development benefits. Some CDM host countries indicated that even though they had identified priority sectors for the CDM, stakeholders interested in buying credits preferred lower-investment, higher-volume types of projects.

Session 4: Approaches for Future Co-operation Sectoral Crediting Mechanisms.

These next sessions considered new approaches for co-operation in greenhouse gas mitigation, starting with possibilities to move crediting from a project-by-project to a sectoral basis.

Jerry Marks (International Aluminium Institute) gave a detailed overview of the activity of the aluminium sector to reduce GHG emissions associated with the production and consumption of aluminium. Aluminium is an internationally traded product, whose production is highly greenhouse-gas intensive, including indirect emissions from electricity production. The industry has established voluntary agreements to reduce the level of perfluorocarbon emissions (PFCs) from smelting. The GHG intensity of aluminium smelting varies greatly across installations, based on the process used, but also among installations relying on the same process. This suggests that improvements in plant operations, as well as new capital stock, can further reduce PFC emissions. The existing diversity suggests that different baselines for the sector may be needed, if baselines were set at a country level.

Kevin Baumert (World Resources Institute) explained how sectoral approaches could fit in various international approaches to GHG mitigation:

- A regime consisting of the sum of sectoral goals and agreements.
- A sector-based approach complementary to existing frameworks.
- A “carve-out” model whereby some sectors would be handled separately.
- An integrated model.

Several criteria can be used to evaluate whether a sector would be amenable to some international sectoral approach. Sectoral approaches could vary depending on the size of the contribution to GHG emissions or by the form of cooperation needed to alleviate competitiveness concerns. Other proposed criteria are: international exposure, concentration of actors, uniformity of processes or products, government role, GHG measurement issues, and GHG attribution issues. It was pointed out that the capacity to negotiate numerous sectoral approaches at the international level is a potential stumbling block, given the technicalities involved. Any sector-based approach would also need to resolve how to create proper incentives for GHG mitigation at the domestic level.

Wang Yanjia (Tsinghua University, China) described China’s ongoing efforts to improve energy efficiency in industry. China has set ambitious goals for energy efficiency, as a response to: the increased energy

demand driven by rapid economic growth, relatively low efficiency, the pressure on energy infrastructure, and local environmental impacts. China aims to reduce energy intensity by 20% between 2006 and 2010. This goal will be applied in a system that encourages market forces to play a role in industry's choices. For instance, while guidelines to prohibit the use of less efficient processes have not managed to counter the growing demand for cement, recent rises in energy prices (coal and electricity) have triggered interest in more energy efficient processes. This demonstrates the need for an energy efficiency policy to work within market realities. If effective, energy efficiency policies could significantly reduce CO₂ emissions – of which industry emits 61% nationally. These policies have the potential to reduce the demand for approximately 100 million tonnes of coal annually.

Richard Baron (IEA) and Jane Ellis (OECD) explored how sectoral crediting could be used to broaden crediting from a project basis to whole sectors. They noted that crediting could be based on a policy, on a baseline set as CO₂ equivalent per unit of output, or on a fixed target. Implementing a sectoral crediting mechanism (SCM) would require setting clear boundaries and eligibility conditions for a sector and projections to establish the sector's future emissions, a prerequisite for a transparent discussion on baselines. An advantage of SCM compared with CDM is that it facilitates a crediting process with lower transaction costs. On the other hand, baseline setting would be challenging as various technology choices are available and national starting points differ. SCM also faces institutional problems at the local level and international level. To be successful, demand would need to match the potentially large quantity of SCM credits. If not properly handled, SCM could also reward laggards and in fact worsen competitive pressures.

The discussion focused on whether existing institutions under the Kyoto Protocol could accommodate a sectoral approach to crediting. It was pointed out that SCM need not be taken up under the Protocol negotiation track, that the Convention track could serve that purpose. Participants also mentioned:

- The contribution of OECD and IEA to baseline setting for large industrial sectors.
- The data requirements to establish a robust SCM, in light of the challenges experienced in the EU emissions trading scheme.
- The possibility for the CDM to evolve into a broader mechanism without needing a new UNFCCC decision.
- Competitiveness concerns may not be alleviated by SCM.
- The need for demand to match the supply, since in some countries reliance on foreign allowances is not necessarily seen as a priority option.
- The need for simplicity of process. Three dimensions may be at play: simplicity of the mechanism, its environmental integrity, and the domestic institutional capacity. Simplicity and effectiveness in the international operation of the mechanism may not be achieved without strong domestic policy to make the mechanism effective.

Session 5: Approaches for Future Co-operation: Technology

Fridtjof Unander (IEA) presented information on past and future GHG emission trends. Data on past trends are based on the IEA publication “*Oil Crises and Climate Challenges: 30 Years of Energy Use in IEA Countries.*” It shows that strong energy savings were the main reason why IEA countries managed to contain growth in CO₂ emissions between 1973 and 1990. Over this period energy efficiency contributed 3-4 times more to the total avoided emissions than did the combined effect of improved power generation fuel efficiency and switching to lower carbon fuel mix (more gas and nuclear, less coal and oil). However, since 1990, the rate of energy savings has slowed resulting in a significant increase in CO₂ emissions. If energy savings had occurred at the same rate as before 1990, CO₂ emissions would have stayed at roughly 1990-level. The future prospects for containing growth in CO₂ emissions from OECD countries depends strongly on whether improvements in energy efficiency can be re-accelerated.

He then introduced a forthcoming IEA publication “*Energy Technology Perspectives: Scenarios and Strategies to 2050*”.⁵ This publication is a response to the Group of Eight (G8) leaders who, at their July 2005 Summit in Gleneagles, called on the IEA to “advise on alternative energy scenarios and strategies

⁵ This book was published on 26 June 2006, and can be accessed at www.iea.org.

aimed at a clean, clever and competitive energy future”. The study demonstrates, through a series of global scenarios to 2050, how energy technologies can make a difference. It reviews in detail the status and prospects of key energy technologies in electricity generation, buildings, industry and transport. It assesses ways the world can enhance energy security and contain growth in CO₂ emissions by using a portfolio of current and emerging technologies. He also highlighted the strategic elements of a successful technology portfolio – energy efficiency, CO₂ capture and storage, renewables and nuclear power.

Cédric Philibert (IEA) presented an AIXG report entitled *Climate Mitigation: Integrating Approaches for Future International Co-operation*. The paper considers whether a technology approach and an emissions cap approach can be integrated into a future regime. He noted that integration is a broad concept that can be applied in several ways. Integration may intervene before or after agreements are negotiated. It can help to take countries’ preferences into account in the negotiation process, expand efforts and participation, and, if policies are implemented, enhance synergies between approaches. He noted several reasons that justify the need for integration, such as the “public good” argument, competitiveness, fairness, cost-effectiveness, and the need for technology transfers.

The study suggests that comparing a technology approach with a cap-and-trade approach would be difficult; except for narrowly defined measures (e.g., energy performance standards), there is no reliable metric to determine whether countries’ commitments amount to similar efforts. However, such comparisons might be an essential determinant of the fairness of future political decisions. It also suggests that comparing *efforts* to help other countries – e.g. official assistance – may be easier.

Debra Justus (IEA) presented an AIXG report entitled *International Energy Technology Collaboration and Climate Change Mitigation: Synthesis Report*. She called attention to previous AIXG work on technology innovation and collaboration that resulted in seven previous reports. The broad lessons indicate that:

- Energy technology diffusion requires a broad portfolio of policy tools and that technology “push” alone is unlikely to deliver the large long-term emission reductions that are needed; rather policies for both technology development and “market pull” are needed. Comprehensive tools (e.g., emission trading, taxes, standards) help to achieve technology diffusion and GHG reductions by providing long-term price signals.
- International collaboration can pool intellectual resources and investment to enhance clean energy development and deployment, raise political awareness and provide momentum to national policies. However, domestic policy frameworks are important for technology deployment and diffusion.
- Effective technology transfer encompasses more than just equipment hand-over. The protection of intellectual property rights matter for both parties.

She indicated that international collaboration can spread development risks, lower costs, promote the exchange of knowledge and lead to harmonized standards. Technology collaboration can also provide a framework for long-term co-operation on climate change and energy challenges in which Annex I and Non-Annex I Parties can participate. The characteristics of collaborative mechanisms vary widely and range from pronouncements of “good intentions” to legal contracts with non-compliance monitoring and evaluation provisions. There is not one model that accommodates the various modes in which governments pursue co-operative international energy technology development. What is important in designing effective joint activities is flexibility in the nature of the collaboration, the participants and the scope of the programme.

Participants welcomed the various presentations and raised questions of clarification to the three presenters. The discussion rapidly centred on issues relative to the protection of intellectual property rights which was seen by some in the audience as particularly important.

Tuesday 28 March 2006

The second day of the forum focused on adaptation to climate change and emerging technical issues.

Session 6: Experiences and Approaches Related to Adaptation

Shardul Agrawala (OECD) spoke about adaptation in the context of development co-operation. He described the degree to which impacts and adaptation were covered in the 3rd National Communications from Annex I countries. He noted that most developed countries are assessing climate change impacts and are developing adaptation responses, but that reporting on adaptation lags behind mitigation efforts in the National Communications. The implementation of adaptation measures faces several challenges, in particular: the limited relevance of climate projections for many operational decisions, the inadequate communication of reliable climate projections, segmentation and other barriers within government agencies, and competition with other government priorities.

Olga Pilifosova (UNFCCC Secretariat) provided an overview of adaptation under the UNFCCC and post-Montreal developments. She described the ongoing activities of the SBSTA five-year work programme on impacts, vulnerability and adaptation and efforts to advance the Adaptation and Least Developing Country Funds. She noted that the UNFCCC Secretariat has developed a draft indicative list of possible activities under the work programme (24 activities with modalities, timing and possible partners for each), organised an informal meeting of representatives of Parties to further develop an indicative list, and developed an initial list of organizations that might be in a position to contribute to the implementation of the five-year work programme. SBSTA 24 will need to make strategic choices and plan initial activities under the five-year work programme in order to maintain the momentum developed at the COP in Montreal. Other developments include regional workshops on adaptation (starting with one in Lima, Peru in April 2006) and discussions on technologies for adaptation within the EGTT.

The discussion following the initial presentations focused on financial issues and, in particular, on how to make decisions with financial implications when the uncertainty of forecasts is high, the cost of adaptation measures, who should be responsible for adaptation costs, and how to secure funding for adaptation.

After the introductory presentations described above, the adaptation session focused on domestic policy frameworks for adaptation in the water sector. The water sector was selected since it is one of the most vulnerable to climate change and plays a significant role in the economy and livelihood of any country. The analyses that were presented focused on:

- 1) Legislation (domestic and international, including agreements on shared waters).
- 2) Institutional arrangements and key players.
- 3) Water management approaches and practices (including flood management, drought planning, supply and demand side management, water infrastructure).
- 4) Information (scientific capacity, monitoring networks, information sharing and dissemination).

Four presentations were made by experts from India, Argentina, Zimbabwe, and Mexico and an overview presentation on the domestic policy frameworks for adaptation in the water sector in the US, UK, Canada, and Finland was made by the secretariat. The five presentations followed the same approach of analyzing adaptation in the water sector in individual countries from the perspective of domestic policy frameworks.

Davison Gumbo (WWF-Southern Africa) gave a presentation on Zimbabwe. He noted that the domestic policy framework in the water sector in Zimbabwe has many weaknesses that impede adaptation to climate change. These include:

- Lack of groundwater abstraction records
- Top-down institutional structures with very limited involvement of rural communities. (This is changing; the tendency now is for decentralization, but some quasi-governmental structures continue to centralize responsibilities.)
- The limited experience of many Catchment Councils impedes local stakeholder participation. The idea of local governance represented by Catchment Councils is not implemented because of the limited knowledge and experience of the Councils' representatives.

He also noted that the devastating drought of 1991/92 gave impetus to legal reforms in Zimbabwe. As a result the Zimbabwe National Water Authority was created and an integrated water resources management strategy was developed. However, for effective adaptation to take place this strategy needs to be depoliticised and access to information needs to be improved.

Bharat Sharma (International Water Management Institute, India) presented analysis of the domestic policy framework in India. He noted that there are several obstacles that impede adaptation in the water sector, in particular:

- The lack of regulations governing groundwater abstraction. This is key as 60-65% of irrigation and 90% of domestic and industrial water requirements are met through private groundwater resources
- An emphasis on central government institutions instead of local institutions
- The lack of inter-state coordination and cooperation
- The use of administrative boundaries for water management instead of watersheds
- The lack of interest in establishing a price for water

He also noted that after the 1987 drought the first national water policy was formed. There are also flood plans (flood forecasts, flood proofing), and drought programs, but many remain ad-hoc. He suggested the following adaptation measures need consideration: inter-basin transfers, increase reservoir capacity, snow pack melting capture, private partnerships, living with floods-integrated farming, and flood plain zoning. Finally, he indicated that access to data in India is still a problem, although the scientific capacity of India is very strong.

Victor Pochat (Independent consultant, Argentina) presented an assessment of the water sector in Argentina and analysed the changes that would be needed to integrate adaptation measures into water policies. He noted that the water sector is decentralized and legal and institutional issues vary by provinces/districts. Some districts still do not have a full coverage of public water supply (i.e., some population does not have an access to drinking water). He also highlighted that some conditions, such as, population growth, the development of agriculture on floodplains and an aging infrastructure, could impede adaptation. During floods of 1982-83, which were extraordinary in magnitude and duration, a hydrological warning operation centre was established and has a capacity to contribute to adaptation to climate change. In 1998, the government started developing a Master Plan for hydroelectric facilities and flood control (defences, constriction of underground reservoirs, early warning networks). He mentioned that climate effects could have important implications for the energy sector, since hydropower accounts for an average of 38% of electricity production. However, there is a lack of institutional coordination, and no national law. Finally, he noted that in 2003, a new program on Integrated Water Resources management of La Plata basin was launched which includes adaptation to climate change.

Fernando Gonzalez (Mexican Center for Atmospheric Sciences, National Autonomous University of Mexico) gave a perspective from Mexico. He highlighted the urgency of addressing adaptation issues in the water sector. The sector faces tremendous pressure from a growing population/water demand and potential increased droughts and floods. He also emphasized the importance of adaptation in the agriculture sector which is closely linked to the availability of water. In addition to droughts, Mexico is also affected by flash floods. There are currently conflicts over sharing limited water resources, for example between the city of Mexico and the State of Mexico, and other water conflicts between neighbouring states. Mexico/US agreements on Rio Grande and Colorado River have also been affected by impacts from climate variability. There are some measures in Mexico that facilitate adaptation, including an early warning system for floods, the National Water Plan 2001-2006, and a national registry of all water users. However, there are no specific planning and/or preventive measures for flash floods and droughts. There is a plan to reduce water consumption from 330liter/person/day to 180liter/person/day in urban areas as part of adaptation efforts. There is a need for actual cost for water to facilitate efficient water use. A draft national program on adaptation to climate change is currently being developed.

Ellina Levina (OECD) presented an AIXG paper in draft form, *Domestic Policy Frameworks for Adaptation to Climate Change in the Water Sector*, which includes analyses of four countries: US, UK, Canada and Finland. The presentation highlighted the key elements of domestic policy frameworks in the

water sector and their roles in adaptation to climate change. The key conclusion is that adaptation needs to be integrated in every element of domestic policy frameworks, including legal, institutional and water management issues. Another key finding is that the dissemination of information between scientists and policy makers, and between policy makers and implementers is not sufficient to facilitate effective adaptation. The case studies revealed that the degree of adjustments to changing climate of current policy frameworks in the water sector will vary from country to country and even within various states and provinces. However, it was also noted that despite differences in exposure to climate change effects, and vulnerability, there are many commonalities in existing policy frameworks in the water sector, and countries can learn from each other.

The discussion focused on several issues:

- The importance of linkages between water resource management and land-use planning and management.
- Changing the reactive approach to floods and droughts that currently prevails in many countries. More proactive, preventive and planning measures are needed.
- The need to develop linkages between climate models and hydrological models.
- The limitations of adaptation under extreme water scarcity and in high-demand locations. For example, in some situation there is a limit to what you can achieve with water management efficiency, e.g., some areas in Spain already use 100% drip-irrigation for agriculture.
- The need to replace aging infrastructure and to take climate change into account when making new investments.
- The lack of understanding at the policy-making level actually impedes adaptation to climate change. For example, in Morocco some government officials want more expensive dams to be built even though the existing ones are empty. It was noted that the cost of a desalinization plant in Spain is less than building a dam in Morocco.

During the discussion, one participant provided an update on recent adaptation developments in the EU. These include the development of a policy paper on adaptation, agreement on an action plan on climate and development; establishment of a working group to address adaptation in key sectors, e.g., water, agriculture and insurance; and developments in the implementation of the Water Framework Directive, which is based on the concept of water management in a river basin. These will increase consideration of adaptation in the future.

Session 7: Emerging Technical/Analytical Climate Change Issues

On the first day of the forum, participants were asked to identify an emerging technical/analytical climate change issue which they felt was important. The suggestions were subsequently compiled and distributed to all participants without attribution. The list was used by the chair to facilitate an open discussion during this session.

The discussion focussed around the following issues:

- Joint implementation – The lack of funding for the JI Supervisory Committee, the need for analytical work on JI and options for its development
- Future commitments – Some participants supported the twin-track approach to future commitments. It was mentioned that there is a lack of capacity/funding in EIT countries for analyses of post-2012 options.
- Sectoral crediting mechanisms – Participants raised the issues of whether a SCM could address the principle of ‘common but differentiated’ responsibilities under the Convention and how it could be incorporated in the context of future action trends.
- CDM – Participants noted that the CDM is becoming more of a market-based mechanism and less of a development mechanism. Concern was registered that CDM had changed from what it was originally established for. The issue of the lack of CDM capacity in some developing countries was also raised.

- Adaptation to climate change – Several participants noted that climate change was still not being taken seriously by their relevant ministers or planners. Some participants suggested that more analytical work on adaptation was required and more striking evidence would be required before policymakers take notice.

Session 8: Wrap up session and close of meeting

The Chair, Harald Dovland, summed up the main outcomes of the forum, thanked participants for their participation and closed the meeting. He also expressed appreciation for the support and work of the Secretariat.