

FAO-EPIC BRIEFING NOTE ON AGRICULTURE BONN, GERMANY, 3-14 JUNE 2013

1. Background

This note seeks to map where agriculture will be discussed explicitly, and might be discussed more indirectly, at the forthcoming Bonn UNFCCC meetings. It is indicative rather than exhaustive and is meant to help participants from partner country Ministries of Agriculture, supported by the EC-FAO Project on Climate-smart Agriculture (CSA), to follow agenda items of relevance to agriculture.

Since COP 18 in Doha (Qatar), the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) held the first part of its second session (Bonn, 29 April -3 May 2013). The ADP's agenda comprises two workstreams. Workstream 1 focuses on the 2015 agreement and Workstream 2 on closing the pre-2020 ambition gap. At that session, a series of workshops were held. Two are of particular interest to agriculture (see below section 4.4 on ADP)

2. Schedule of Meetings and side events for the session (click on red text to go to documents)

SESSION	DATE	AGENDA	DOCUMENTS
SBI 38	3-14 June 2013	FCCC/SBI/2013/1	Documents
SBSTA 38	3-14 June 2013	FCCC/SBSTA/2013/1	Documents
ADP 2, Part 2	4-13 June 2013	ADP/2013/AGENDA	Documents

Dverview schedule

<u>Overview of SB mandated in-session workshops and events (many workshops/events this time)</u>
<u>List of Side Events at SB 38</u> (interesting side events on agriculture and land-based sectors)

3. Where agriculture will be discussed

Agriculture will be directly discussed under **SBSTA** agenda item *9 "Issues relating to agriculture"*. SBSTA 37 agreed to continue consideration of this agenda item at SBSTA 38. The SBSTA will be invited to continue its consideration of issues relating to agriculture with a view to recommending a decision for consideration and adoption at COP 19.

At SBSTA 37, there was enthusiasm and keen interest in this item at the outset (many statements on agriculture in the SBSTA Plenary sessions, a large number of participants at the meetings of the Contact Group on Agriculture, an increasing number of delegates from Ministries of Agriculture and pre-sessional meetings of negotiators). However, in the end this did not translate into consensus on a text for consideration by the COP. Those Parties in favour of a SBSTA discussion of the scientific and technical aspects of agricultural adaptation and mitigation under the SBSTA and hence the submission of a draft decision to the COP, were: many African countries, two Latin American countries (Uruguay and Costa Rica), developed countries including USA, New Zealand, EU, Australia and the Environmental Integrity Group (Republic of Korea, Switzerland, Mexico, Liechtenstein,



Monaco). Those opposing the submission of a draft decision to the COP, with some tending to favour discussion only of adaptation, included: BASIC countries (although South Africa was not vocal perhaps due to the position of other African countries), many Latin American countries (including Argentina, Venezuela, Bolivia, Nicaragua, Cuba) and several Asian countries seemed to be in this camp (Philippines, Indonesia), as well as Egypt. This group of countries indicated that further technical discussion is needed before a COP decision could be taken on this agenda item.

A key issue in the agriculture negotiations during SBSTA 37 was inclusion of the principle of CBDR, advocated by BASIC countries and some Latin American countries, but opposed by some Annex I countries. Another key issue was whether SBSTA should focus on agricultural adaptation or adaptation AND mitigation. Almost all developing countries, with the exception of Costa Rica, Uruguay and Bangladesh, placed great importance on adaptation, given that it underpins livelihoods, food security, employment, FDI and the overall economy and development in their countries. This dichotomy between adaptation and mitigation is not as strong at country level, where many developing countries are interested in pursuing both adaptation and mitigation activities and seek knowledge, tools and resources to do so. However if agriculture is not explicitly addressed in a global climate change instrument, explicit financing for agriculture (for both adaptation and mitigation) may be difficult. There are also fears that agricultural mitigation measures may have trade implications (non-tariff barriers to trade, comparative advantage) that need to be better articulated and studied, given their potential importance to food security and development in many developing countries. ICTSD reports an increase in the number of delegates from government trade circles.

4. Other agenda items where certain aspects of Agriculture could be considered

4.1 Adaptation aspects of agriculture could arise under:

SBSTA *agenda item 3* "Nairobi work programme on impacts, vulnerability and adaptation to climate change" SBSTA will consider the report of a technical workshop on ecosystem-based approaches for adaptation to climate change (includes forests, drylands, wetlands, croplands and grasslands, coastal areas); a note by the Secretariat on progress made in implementing activities under the NWP and submissions providing views on future areas of work of the NWP (LDCs mention food security, including agriculture and subsistence livelihoods; with a view to making recommendations to COP 19.

SBI agenda item **8** "Matters relating to the least developed countries" SBI has a work programme on this matter. SBI 37 had requested the LEG to submit its views on ways it could further support LDCs to prepare their National Adaptation Plans (NAP) and asked LEG to organize an LDC NAP event in conjunction with SBI 38. This event will take place on Sunday 9 June 2013. Project focal points from Malawi and Zambia may wish to attend.

SBI Agenda item 9 "National adaptation plans" COP 17 had requested Parties and relevant organizations to submit by 13 February 2013 information on their experiences with the use of guidelines for the formulation of NAPs and the Secretariat to prepare a synthesis report on these experiences. At SBI 38, Parties will consider the guidelines for formulation of NAPS (in light of recent experiences), the report on the 23rd meeting of the LEG, a note by the Secretariat and submissions on experiences using the guidelines. In the note of the Secretariat, reference is made to the World Bank's PPCR, which is being implemented in Zambia, among other countries. Given the importance of agriculture in many developing countries in terms of food security, poverty reduction, employment and FDI, as well as the high sensitivity of agriculture to climate change and growing emissions from agriculture, the sector is likely to figure prominently in climate change planning processes and measures. Moreover, the sector was already very evident in the NAPAs of many LDCs. It would seem

important that these consideration are taken into account by SBI when considering matters related to LDCs/NAPs.

SBI agenda item **11** "Matters relating to Finance" Under this item SBI will be invited to initiate the second review of the Adaptation Fund and to consider any additional guidelines for the conduct of the review. There are two background documents for this item: a Note by the Secretariat on the status of resources of the Adaptation Fund and a technical paper on steps and time frames to conduct an open and competitive bidding process for selection host institutions for entities under the Convention.

SBI agenda item 12 "Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity" Under this agenda item, SBI will be invited to (i) elaborate activities, under its work programme on this topic, that further understanding of and expertise on this matter and (ii) initiate work on the establishment of institutional arrangements (including functions and modalities) at COP 19. Weather-indexed insurance and other forms of safety nets are already being used for loss and damage associated with climate change impacts in the agriculture sector. This item is consequently of potential interest to Ministries of Agriculture in vulnerable developing countries.

4.2 Mitigation aspects of agriculture could arise under:

SBSTA agenda item 7 "Research and systematic observation" Under this agenda item, there will be a research dialogue, which will address technical and scientific aspects of emissions by sources and, removals by sinks and terrestrial ecosystems such as steppe, savannah, tundra and peatlands, with a view to identifying and quantifying the impact of human activities. Agriculture is likely to be one of these activities. For example, to bring new land under cultivation peatlands (wetlands) may be drained or grasslands converted to cropland. Herein are trade-offs and competition among different land uses for carbon storage or nature reserves with implications for food security, economic development and tourism. Each country will need to look across all relevant issues and the different sectors involved, in order to manage possible trade-offs and maximize synergies across present and future needs for addressing food security, agricultural development and climate change adaptation/mitigation. This notion is embodied in approaches used to build climate smart agriculture. SBSTA will consider documents providing an update and views of Parties and relevant organizations. In considering matters related to research it may determine further action in this regard. However, from the submissions it looks like there will be strong push by some countries to focus on coastal marine ecosystems.

SBSTA agenda item 10 "Methodological issues under the Convention" (b) General guidelines for domestic measurement, reporting and verification of domestically supported nationally appropriate mitigation actions by developing country Parties" SBSTA will have before it a compilation of views on these guidelines. SBSTA 37 agreed that the guidelines should be general, voluntary, pragmatic, non-prescriptive, non-intrusive and country driven, take into account national circumstances and national priorities, respect the diversity of nationally appropriate mitigation actions, build on existing domestic systems and capacities, recognize existing domestic measurement, reporting and verification systems and promote a cost-effective approach. SBSTA 38 will be invited to consider the compilation document prepared by the Secretariat to initiate a process for developing the guidelines. The SBSTA will also be invited to agree on the next steps needed to facilitate the adoption of the guidelines at COP 19. Many developing countries have indicated their interest in developing agricultural NAMAs, including Malawi and Zambia. Therefore this item is likely to be of interest to these countries and other developing countries. It is important that the guidelines enable implementation of agricultural NAMAs.

SBSTA agenda item 11 "Methodological issues under the Kyoto Protocol (b) Land use, land-use change and forestry under Article 3, paragraphs 3 and 4, of the Kyoto Protocol and under the clean development mechanism" SBSTA will continue its consideration of work programmes, established by CMP 7 (2011), on (a) more comprehensive accounting of anthropogenic emissions by source and removal by sink from land use, land-use change and forestry (LULUCF), including a more activity-based or land-based approach, (b) develop and recommend modalities and procedures for possible new LULUCF activities under the CDM in addition to A/R, (c) develop and recommend modalities and procedures for alternative approaches to addressing the risk of non-permanence under the CDM and (d) to develop and recommend modalities and procedures for applying the concept of additionality. With regard to new LULUCF activities to be included under CDM, mitigation activities related to agriculture have been mentioned in past discussions (e.g. mitigation from agricultural soils). SBSTA is invited to consider the information contained in the documents, with a view to preparing relevant draft decisions for consideration/adoption at CMP 9.

SBSTA agenda item 12 "Market and non-market mechanisms under the Convention" includes a framework for various approaches, non-market approaches and a new market-based mechanism". All relate to ways of strengthening mitigation action through crediting and trading (where market approaches are concerned) and legislation, investment and other public-funded means (where nonmarket approaches are concerned). The differences between the new market mechanism under the Convention and the CDM under the Kyoto Protocol are not entirely clear. While not addressing agriculture per se, it is crucial that the design of enabling mechanisms, particularly financing mechanisms, take into account the specificities of agriculture so that the sector, which is highly sensitive to climate change and responsible for 14% of global emissions, is able to contribute to adaptation and mitigation goals while fulfilling those of food security and development. Only Bolivia mentioned, in its submission on non-market approaches the possibility of rewarding action benefiting both adaptation and mitigation (many agricultural practices are capable of doing this). However, bilateral and multilateral public financing (e.g. GEF) are starting to put more emphasis on integrative approaches such as climate smart agriculture. While significant readiness activities for REDD+ have been ongoing for some time, agriculture has lagged behind with a number of gaps still to fill in order to improve the basis for larger scale CSA investments.

SBI agenda item 5 "Nationally appropriate mitigation actions by developing country Parties. Under this item SBSTA will consider: (a) Composition, modalities and procedures of the team of technical experts under international consultations and analysis Parties will be invited to consider a draft decision text forwarded to it by the COP 18 and to recommend a draft decision for adoption at COP 19. (b) Work programme to further the understanding of the diversity of nationally appropriate mitigation actions COP 18 established this work programme. Parties will engage in an interactive discussion at an in-session workshop in Bonn and consider an information note prepared by the UNFCCC Secretariat that compiles information received from developing countries on their intention to implement NAMAs. It includes information from the Africa Group and Malawi. SBSTA is invited to agree on next steps. While so far implementation of NAMAs in the area of agriculture has been limited, this is not to say that they may increase in future and a number of developing countries have indicated their intention to formulate agricultural NAMAs. It is therefore important that the modalities decided do not exclude agriculture and take into account its specificities.

4.3 Agriculture as a driver of emissions in other sectors

SBSTA agenda item 4 "Methodological guidance for activities relating to reducing emissions from deforestation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries" Under this item SBSTA will continue to consider drivers of deforestation and forest degradation. SBSTA will continue its work on drivers of

deforestation and forest degradation, in particular how developing countries are addressing these drivers and experiences gained thereon. As expansion of agriculture into forested areas is a major driver of deforestation and forest degradation in developing countries, closer attention to minimizing context-specific trade-offs and maximizing synergies on agriculture and forest frontiers is a key policy objective for many developing countries. It requires a better understanding of the opportunity costs involved, a more integrated approach to food security, agriculture and natural resources management policy areas, as well as coordination across Ministries of Agriculture and Environment. Under this item, SBSTA will also consider non-market-based approaches, such as "oint mitigation and adaptation" approaches, and non-carbon benefits. These same approaches form part of the climate-smart agriculture concept since 2010, highlighting the fact that progress on forests in the negotiations has moved steadily forward, while agriculture may be perceived to have stood still.

4.4. AWG-ADP2-2

The ad hoc working group on the Durban Platform met end April/beginning May. Its focus is two-fold: identifying central elements for a 2015 agreement, including additional functions/work required for its implementation and practical, results-oriented approaches that could be undertaken to bridge the emissions ambition gap. A key question is whether agriculture will or will not be part of the 2015 agreement. At the AWG-ADP2-1 session there were two positive indicators.

In the workshop on *Low-emission development opportunities* held during ADP2-1, many Parties referred to land use and forestry, as an area where mitigation potential is still untapped and called for a more focused discussion of this and other specific areas in future sessions.

In another workshop on *Opportunities for mitigation and adaptation related to land use*, Parties exchanged views on the implementation of national climate change strategies and the inclusion of climate change considerations into policies addressing sustainable management of natural resources, territorial planning, forest monitoring and agricultural production. It was noted that emission reduction in the land-use sector is not necessarily achieved at a lower cost than in other sectors. One challenge highlighted was related to increasing food production without increasing emissions and endangering environmental conservation and the sustainable management of natural resources. The workshop participants also underlined multiple benefits which represent major driving forces behind national action in relation to land use in the areas of food security, sustainable livelihoods, economic and productivity gains, biodiversity conservation and poverty alleviation. It is suggested that project-supported participants read the report of this workshop (ADP.2013.4.InformalSummary)

At the June session, Parties will be invited to consider further appropriate modalities for the organization of the ADP to advance its work.

5. Agriculture in the negotiations - a quick guide

Body	Agenda items	Key Issues
SBSTA	AI 3: Nairobi Work Prog.	LDCs want agriculture to be inserted in future areas of work. LDC delegations could support in their interventions
	AI 4: Drivers of deforestation and forest degradation	Agriculture a key driver: managing trade-offs and synergies
	Al 9: Agriculture	A work programme on technical and scientific issues or not? Will the item end in Bonn or continue?
	AI 10: MRV guidelines for NAMAs	Making the guidelines appropriate for agricultural NAMAs
	AI 11: LULUCF	Expanding land-based mitigation under CDM, potentially could include agriculture. How to manage comprehensive accounting, risk of non-permanence, additionality?
	AI 12 Market/non-market mechanisms	Market mechanisms under KP and Convention: how to manage double accounting? Less on non-market but for Ag sector, public financing important over medium-term
SBI	AI 5: NAMAs	International consultation/analysis and diversity of implementation. Need to make modalities fit for agriculture
	AI 8/9: LDCs/NAPs	AG already prominent in NAMAs. Likely to be the same for NAPs in LDC agriculture-based economies. Need for modalities to accommodate specificities of agriculture.
	AI 12: Loss and Damage	Agriculture already using weather index-based insurance and other safety nets: could share experiences
ADP	Session 2, Part 2	Opportunities for adaptation and mitigation related to land use: a place-holder for agriculture in a 2015 agreement?

This brief was prepared by the EC-FAO Project, Climate-Smart Agriculture: capturing the synergies among mitigation, adaptation and food security (Malawi, Viet Nam, Zambia) for project-supported participants from Ministries of Agriculture

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