

Report on the Pre-MEM Workshop on Sectoral Approaches

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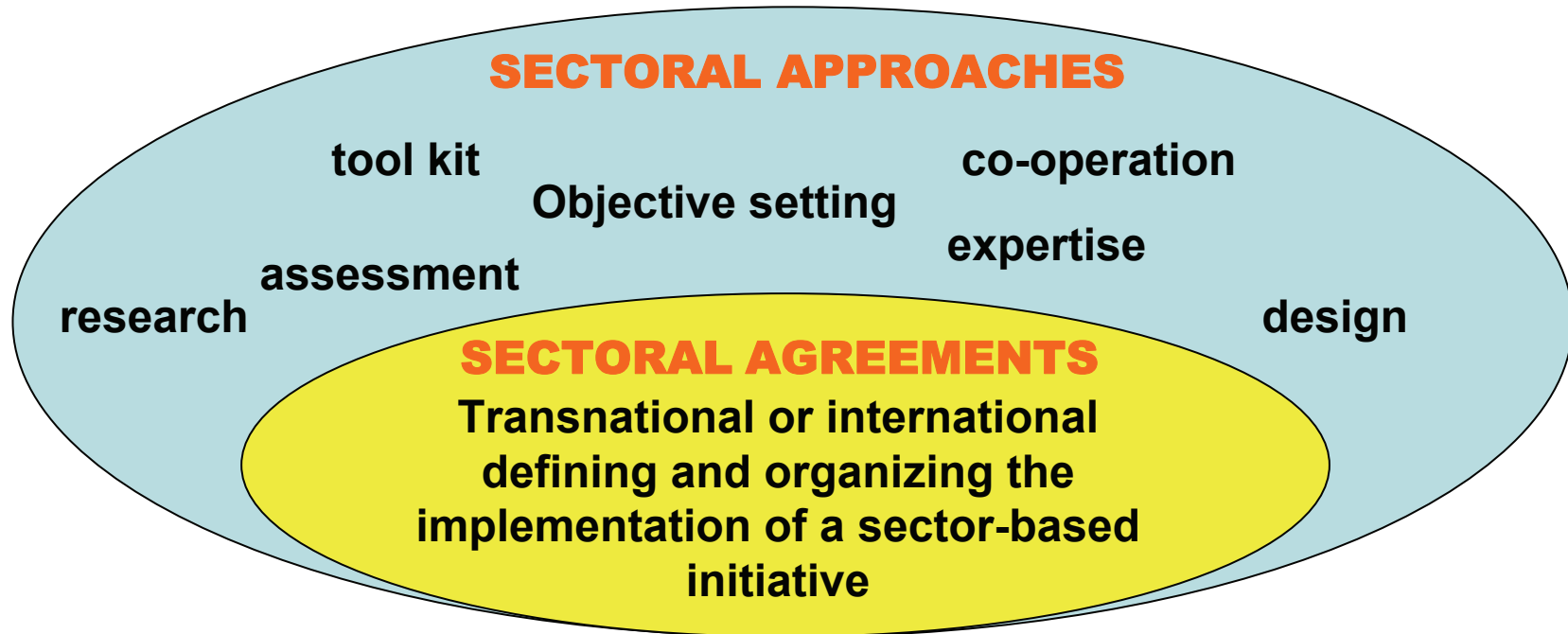
OBJECTIVES

- To clarify terms, develop a common understanding of concepts, and identify motivations
- To exchange views as to whether and how Sectoral Approaches should be part of an international agreement on climate

Starting point is to note a shift in the nature of the discussion

- Calls for a more direct and prominent role of Sectoral Approaches (G8, APP, Bali Action Plan, ...etc.)
- But motivations are diverse:
 - An efficient approach to rapidly enhance the scope of action ?
 - A tool to scale up action in Developing Countries ?
 - A more level playing field for the global industry ?
 - A tool to better recognize domestic policy initiatives?

Diverse motivations lead to diverse views



Sectoral Approaches can be grouped in two main categories

SECTORAL APPROACHES

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graph TD; A[SECTORAL APPROACHES] --> B[TRANSNATIONAL AGREEMENTS]; A --> C[DOMESTIC ACTION];
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TRANSNATIONAL AGREEMENTS

Sector of activity

Large emitters / energy intensive industry

Transnational initiative

DOMESTIC ACTION

Country level

+ building, transportation, agriculture, etc.

International recognition and support

Industry key findings

- **Electricity sector:** Challenge = technology deployment.
 - Transnational agreements not appropriate (local production, national policies impact demand and supply)
 - But some forms of sectoral approaches may be useful to transfer know how and technology.
- **Cement:** Potential to increase efficiency + all along the value chain from clinker to final service (building).
- **Steel :** Diffusion of BAT has great potential but national circumstances matter / investment decisions (electricity price).

Acknowledgements

- APP process and industry initiatives show that “thinking sectoral” can be helpful (level playing field in some sectors, metrics for policy making, technological cooperation, best practices dissemination)
- “Thinking sectoral” does not work alone
- “One size does not fit all”

Transnational Agreements (TA)

- Level Playing Field within a sector at global level
- Option to help disseminate efficient technologies in DCs on one hand, and to cooperate on new low emitting technologies on the other hand
- Complementary instrument, that can be helpful to implement the “technology” part of an international agreement
- Cannot work alone, Governments must play their part
- Not a substitute to international agreement and to QELROs for industrialized countries

Domestic Sectoral Policies (DSP)

- Domestic Sectoral Policies provide a formal undertaking by Developing Countries to take measurable action and implement climate policy while:
 - getting incentives to support technology deployment with multiple benefits
 - making a clear link between TT and concrete long term mitigation strategies
- Issues to be further explored:
 - what funding (private/public) for scaling up technology deployment at the required level ?
 - what role for the global carbon market ?

Main Conclusions (1)

- The Workshop has provided a good opportunity to make progress in developing a common understanding.
- Consensus that “thinking sectoral” is useful to develop well informed and appropriate policies for low emitting technology deployment and transfer.
- But SA alone cannot meet the mitigation challenge, neither substitute an international climate agreement.
- SA should be kept in mind when designing the Copenhagen agreement as it may be one the tools to implement future commitments, where appropriate.

Main Conclusions (2)

- Analysis of motivations supporting SA development also show that national policy frameworks matter !
- Government must play their part for the recognition and enforcement of actions through SA.
- From theory to practice is not easy: design of SA would take time and require complex governing procedures.
- Implementation of SA require data and MRV, but data availability and enforcement capacity is not just a technical issue.