

SECTORAL APPROACHES

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Workshop on sectoral approaches 16 April 2008 Paris



OBJECTIVES

- To clarify terms and have common understanding of concepts
- To introduce the discussion agenda

The current framework

- Convention and Protocol : almost no mention there of sectoral issues
 - specific treatment : forestry, aviation, shipping
 - some provisions in art. 3.3 and 4.1 c, with an implementation perspective
- Built on 3 pillars
 - An approach on GHGs emissions & removals as a whole,
 - A country based engagement to dimension and co-ordinate action
 - A principle of solidarity

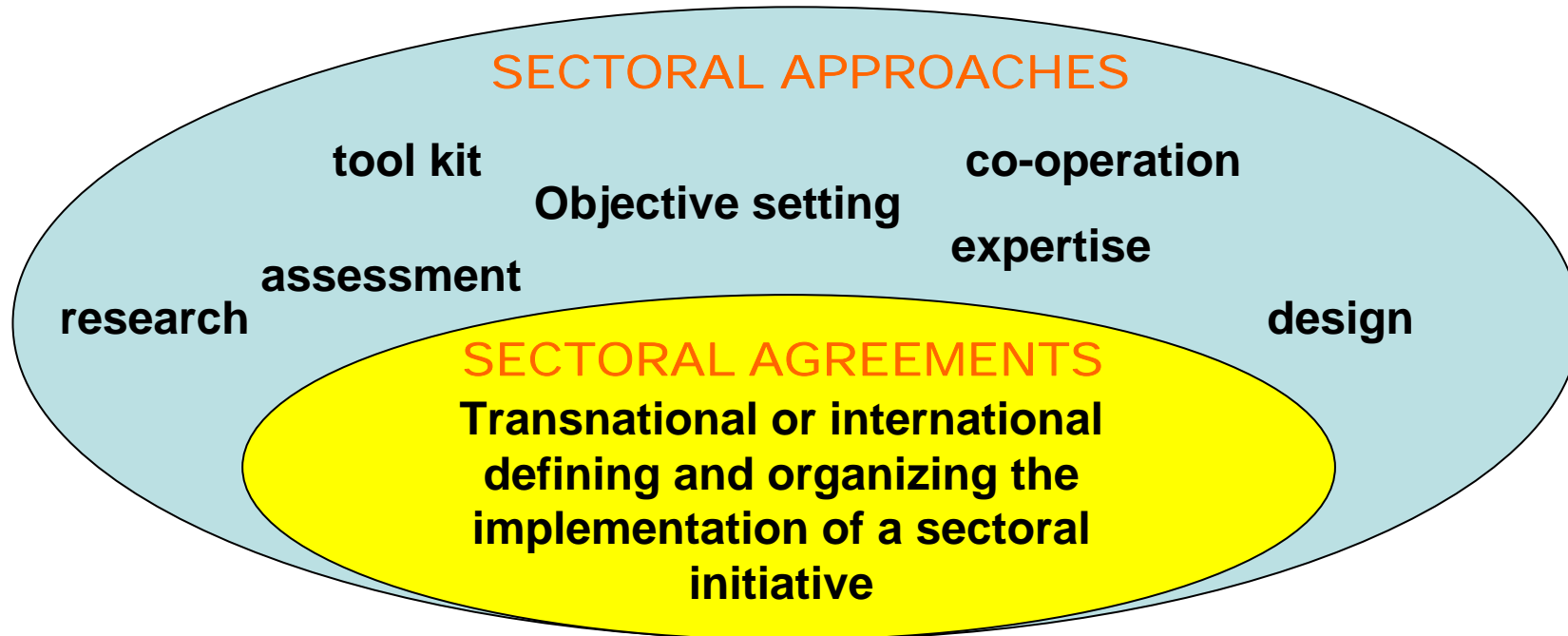
From thinking change to action

- Necessity to look beyond 2012 : what does “transition to a low carbon economies” means?
 - technology roadmaps,
 - the economic and social implications,
 - the possible contradictions and synergies with issues on the global agenda
- Need for a more sectoral expertise and understanding of human activities
- Necessity to act

A shift in the nature of the discussion

- Calls for a more direct and prominent role of SA
 - G8 & Gleneagles agenda
 - Asia Pacific Partnership
 - Bali Action Plan.
- tool to support the decision making process, build economy wide objectives, to influence the design of collaborative implementation activities?
- options for the core design of architecture of a future international agreement?

Focus the discussion



Diverse motivation lead to diverse views on

-Contribution to mitigation objectives

-Should SA be settled to foster international action

An efficient approach to rapidly enhance the scope of action ?

- Urgent action needed
- SA could be easier and faster to negotiate
 1. discussion on sectors
 - adopt a more technology oriented approach
 - determine more easily a shared view
 2. targeting the principal emitters
 - allow for a wide GHG coverage
 - with a limited number of players

A tool to scale up action in DC?

- CDM a project based approach that does not deliver at sufficient scale ?
- Sectoral CDM, or sectoral crediting approaches
 - build on the current toolbox and the experience gained
 - provide more ambitious instruments.

A more level playing field for the global industry ?

- Too uneven policy frameworks lead to
 - economic inefficiency
 - environmental leakage
- With a more level playing field, could more ambitious action be taken?

A tool to better recognize domestic policy initiatives?

- Current political framework, active participation of countries acknowledged through quantitative commitments
- DC's seek for explicit recognition and support of their effort

SECTORAL AGREEMENTS

TRANSNATIONAL AGREEMENTS

DOMESTIC ACTION

Sector of activity

Country level

Large emitters / energy intensive industry

+ building, transportation, agriculture, etc.

Transnational initiative

International recognition and support

TRANSNATIONAL AGREEMENTS



INDUSTRY TO INDUSTRY

Metrics

Exchange of experience / Best Practices

Technology co-operation

Voluntary mitigation initiatives

TRANSNATIONAL AGREEMENTS

INDUSTRY TO INDUSTRY

Metrics

Exchange of experience / Gp

Technology co operation

Voluntary mitigation initiatives



Participation incentives

Governance / compliance

Articulation / domestic policies

TRANSNATIONAL AGREEMENTS

INDUSTRY TO INDUSTRY

GOVERNMENT TO GOVERNEMENT

PUBLIC PRIVATE PARTNERSHIP

TRANSNATIONAL AGREEMENTS

INDUSTRY TO INDUSTRY

GOVERNMENT TO GOVERNEMENT

Technology oriented

PUBLIC PRIVATE PARTNERSHIP

TRANSNATIONAL AGREEMENTS

INDUSTRY TO INDUSTRY

GOVERNMENT TO GOVERNMENT

PUBLIC PRIVATE PARTNERSHIP

Quantitative agreements

- **Transfer of low emitting technologies, R&D promotion, contribution to financing of mitigation action?**
- **Opportunities and obstacles in terms of design, negotiation, implementation and enforcement?**
- **Drivers for the establishment and dynamic development of transnational agreements?**
- **Possible articulation with other policy instruments, including market based ?**
- **How to take into consideration the diverse situations and capabilities of the industry and of their home countries?**

Domestic Action

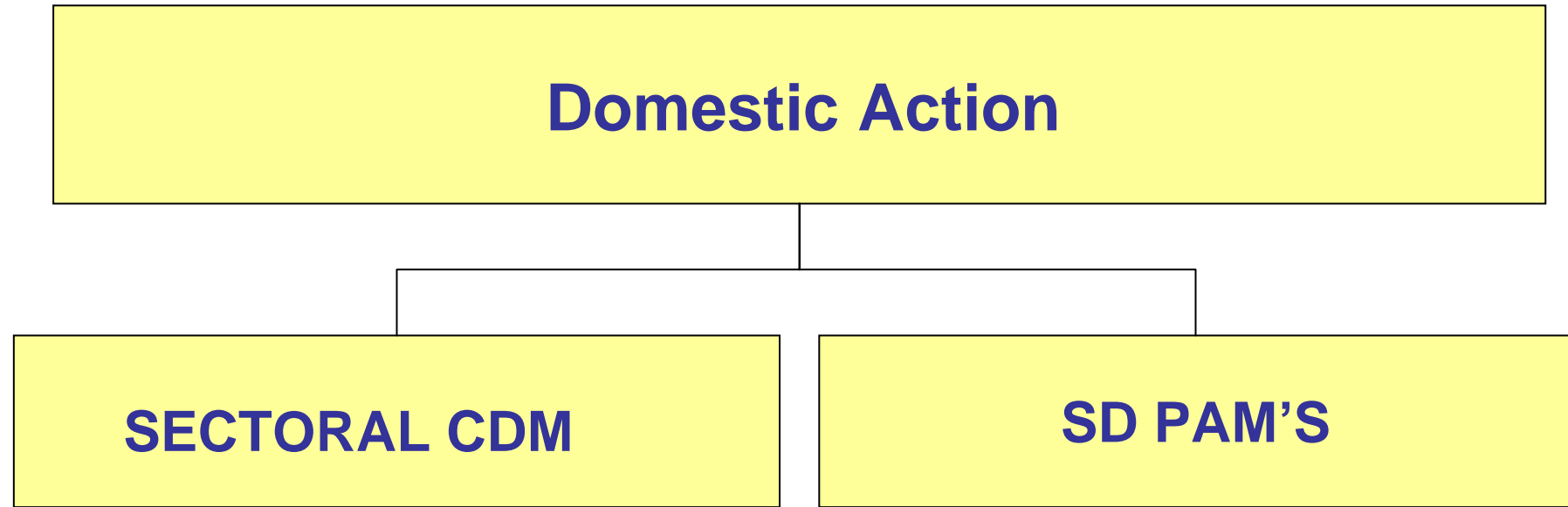
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SECTORAL CDM

Baseline no longer a technical issue ?

=> More prominent role for Governments?

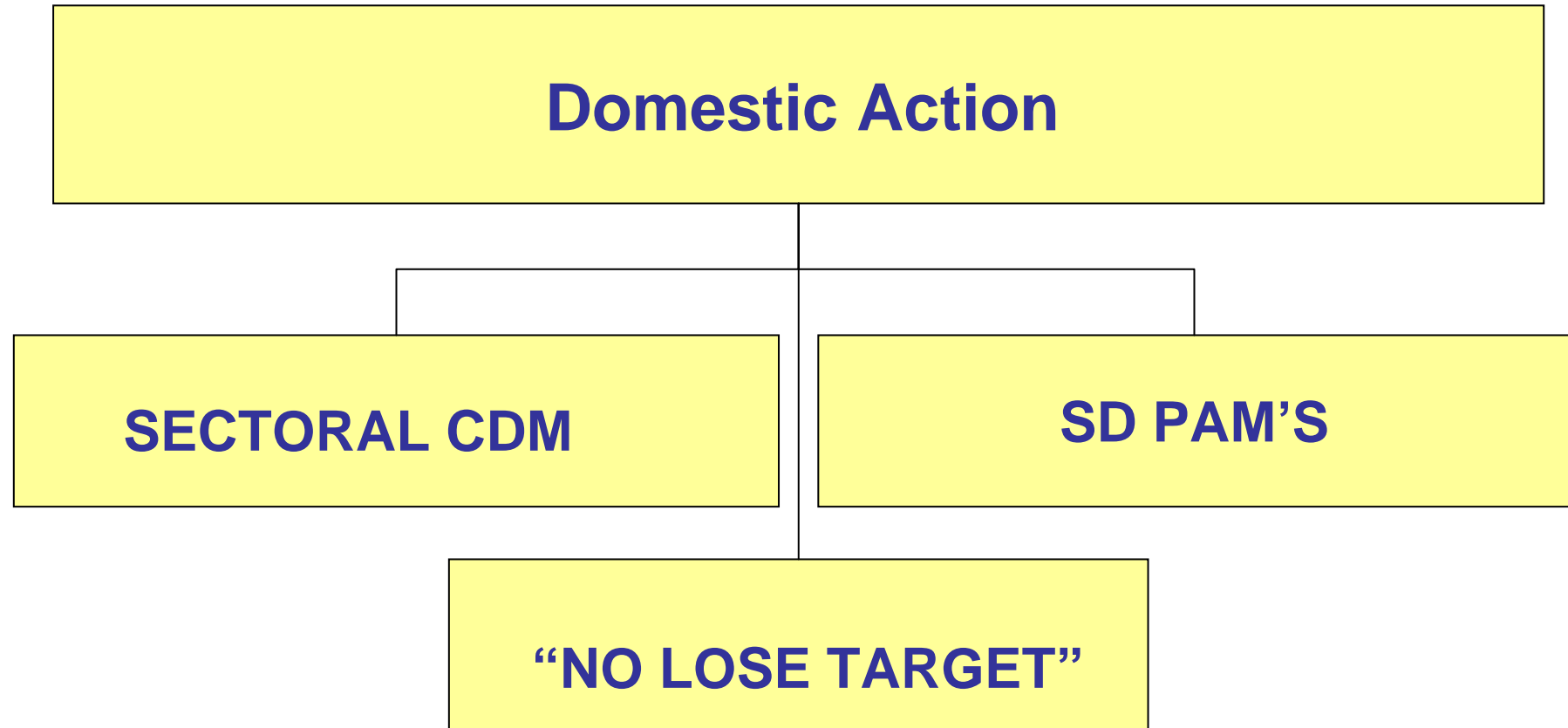
Development of enabling activities & policies?



Policies with sectoral focus

Tailored approach to address

- technology needs**
- capacity building**
- finance**



Voluntary Pledge

Package finance / technology/credits

No penalties in case of failure

- **Transfer of low emitting technologies, R&D promotion, contribution to financing of mitigation action?**
- **Opportunities and obstacles in terms of design, negotiation, implementation and enforcement?**
- **What sources of funding (public/private) and what channel for scaling up to the required level of technology deployment?**
- **What are the possible implications for industrialized countries' commitments?**

PANEL DISCUSSION

- **SA to be negotiated at multilateral level? To be addressed at bilateral & international levels, as a facilitation for reaching a multilateral agreement?**
- **What are the political conditions for integration of sectoral approaches in the Copenhagen agreement?**
- **Complementarities and conflicts with the emergence and governance of a multilateral agreement;**

- **How to ensure the adequate momentum (overall ambition and intersectoral ponderation) on the medium and long term?**
- **Can sectoral agreements be articulated with the existing country based architecture?**
- **Common and differentiated strategies for constructing international sectoral approaches;**
- **Respective role and capacity of Governments and industry (negotiation, risks, compliance, financing/costs distribution).**