

Study on

Global Sectoral Approaches as Part of a Post-2012 Framework

Supported by the European Commission DG Enterprise and Industry
(ACTION ENT/CIP/08/C/N02S00)

Japan stakeholder workshop

Organised in co-operation with the Ministry for Economy, Industry and Trade (METI), Japan

Tokyo, 25 & 26 February 2009

Venue:

International Conference Room

METI Main building, 17th floor

1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo, Japan

<http://www.meti.go.jp/english/aboutmeti/data/aKasumimap1e.html>

Workshop objectives:

- Presentation and discussion of main findings of the Interim Report
- Presentation and discussions of data collection, benchmarking and sector boundary issues as well as possible solutions that different sectors (i.e. aluminium, cement, power, steel, others) propose, including an update on APP and business initiatives
- Update on discussion on sectoral approaches as part of the post-2012 framework, particularly the role of benchmarking in a post-2012 framework as well as finance issues, including sectoral crediting and capacity building
- The role of business in sectoral approaches

Final Agenda

Day 1: 25 February 2009

09:00-09:05 Opening by representative from METI

09:05-10:30 **Session I. Results and lessons from phase I of the study on “Global Sectoral Approaches as Part of a Post-2012 Framework”**

This introductory session will i) introduce the project (e.g. background, objectives, next steps and progress to date), ii) present the main results and lessons from phase I and iii) outline the next steps. This session will be based largely on the Interim Report of November 2008¹. It will also take into account the developments in Poznan and beyond.

Christian Egenhofer, Senior Research Fellow, Centre for European Policy Studies (CEPS); **Dan Klein**, Director, Twenty-First Strategies, Consultant to CCAP; **Kazuhiko Hombu**, Director General, METI, Japan

Discussion

¹ <http://www.ccap.org/docs/resources/560/FINAL%20CCAP%20Sectoral%20Study%20and%20Exec%20Overview.pdf>

10:30-11:00 Break

11:00-12:00 **Session II. Data collection and benchmarking (including sector boundary) issues as the backbone of sectoral approaches**

This session will give a broad and authoritative overview on data collection, benchmarking and MRV issues. Main reference points will be the lessons from the study and the recent IEA work. The opening presentations are meant to take stock and draw lessons for future priorities. This will include a review of the state of the art and serves as a starting point for discussions following on the afternoon.

Main lessons from the study

Dan Klein, Director, Twenty-First Strategies, Consultant to CCAP [20 minutes]

Challenges in the global efforts for data collection and benchmarking

Barbara Buchner, International Energy Agency, IEA, Paris [20 minutes]

Questions & Answers

12:00-13:00 **Lunch**

13:00-15:10 **Session III. Country and sector-specific data and benchmarking challenges for MRV actions**

Following the overview on the morning, discussions will identify country-specific data and benchmarking issues. This will set the scene for the subsequent session that deal with possible solutions to data issues. The outcome of this session will also have a bearing on the discussions of the second day, notably on country-specific forms of sectoral approaches.

Data collection in China

Can Wang, Tsinghua University, Research Fellow and Coordinator Assistant, Joint Program on Economics and Policy Studies (PEPS), [on data issues - 20 minutes]

Discussion

Potential analysis for the Power generation industry in China

Shen Zhongyuan, Institute for Energy Economics Japan (IEEJ) [20 minutes]

Discussion

Initial comment by:

Chunxia Zhang, Center of Process Engineering & Environmental Engineering, China Iron & Steel Research Institute, Group, Beijing [on broader economic, social and political implications] [10 minutes]

Discussion

Upfront financial assistance to improve efficiency [20 minutes]

Takashi Hongo, Special Advisor and Director General. Japan Bank for International Cooperation (JBIC)

Discussion

Experiences from the private initiatives through public-private partnerships

Ichiro Maeda, General Manager, The Federation of Electric Power Companies [20 minutes]

(1) Activities in the power generation sector

Discussion

(2) Status of data collection in road transport sector [20 minutes]

Discussion

Masayuki Sasanouchi, Japan Automobile Manufacturers' Association (JAMA) [20 minutes]

Discussion

Getting the Numbers Right: challenges and main lessons

Vincent Mages, Vice President, Climate Change Initiatives, Lafarges, speaking on behalf of the Cement Sustainability Initiative (CSI), WBCSD [20 minutes]

Yoshito Izumi, Taiheiyo Cement

Discussion

Conclusions by **Dan Klein** Director, Twenty-First Strategies, Consultant to CCAP

15:10-15:45 Break

15:45-18:00 **Session IV. Enhancement of capability to implement sectoral approaches effectively in the post-2012 architecture**

There is considerable interest of developing countries in sectoral approaches as some sort of bottom-up national commitments of developing countries. Such commitments could be linked (and strengthened) through (upfront) financial assistance and technology by developed countries and sectoral crediting. This session will also raise institutional questions

Enhancing sectoral approaches in China: data collection, capacity building & industrial development

Chunxia Zhang, Center of Process Engineering & Environmental Engineering, China Iron & Steel Research Institute, Group, Beijing [*on needs for assistance for enhancing sectoral approaches in China*]

[20 minutes]

Discussion

Carbon finance and sectoral approaches: issues and solutions [20 minutes]

Steven Gray, Climate Change Capital, London

Comments by:

Yoshiharu Tachibana, Keidanren, (IEPCO) [10-15 minutes]

Discussion

Institutional challenges [20 minutes]

Noriko Fujiwara, Head of Climate Change, CEPS

Discussion

Systems to promote technology transfer in sectoral approaches: Experience from APP

Kazuhiko Hombu, METI [20 minutes]

Discussion

Comments by:

Didier Herbert, Head of unit, Sustainable Industrial Policy, DG Enterprise, European Commission [5 minutes]

Summary & Conclusions for the first day

Christian Egenhofer, Senior Research Fellow, Centre for European Policy Studies (CEPS); **Dan Klein**, Director, Twenty-First Strategies, Consultant to CCAP; **Kazuhiko Hombu**, Director General, METI, Japan

18:00 End of first day

Day 2: 26 February 2009

09:00-11:00 **Session V. MRV actions based on sectoral approaches in the post-2012 architecture**

This session will kick off the debate on the role of sectoral approaches in the post-2012 discussions. While the focus of the debate will be on the role of sectoral approaches and developing country actions, sectoral approaches can also play a role in identifying and accelerating developed countries' commitments. Such actions and commitments could be based on the effort towards benchmarking. This session will examine the various models that have been proposed and test their technical and political feasibility through leaning from current sectoral efforts in each country.

Introduction by **Christian Egenhofer**, CEPS on state of debate on sectoral approaches after Poznan [10 minutes]

The sectoral approach to analyze global mitigation potentials

Keigo Akimoto, RIIE [20 minutes]

Discussion

Sectoral approaches in developed countries

Yukari Yamashita, IEEJ [20 minutes]

Discussion

Sectoral approaches as voluntary commitments by developing countries and as no-lose targets?

Dan Klein, Twenty-First Strategies, Consultant to CCAP [20 minutes]

Discussion

11:00-11:30 Break

11:30-12:00 **Session V. MRV actions based on sectoral approaches in the post-2012 architecture: an opening discussion (continued)**

An aluminum sector perspective on carbon markets, flexible mechanisms and sectoral approaches

Lasse Nord, Vice President, Hydro [20 minutes]

Discussion

The benefits and limitations of sectoral approaches in India

Rakesh Bhargava, Chief Sustainability Officer, Shree Cement, India [20 minutes]

Discussion

The role of carbon markets, flexible mechanisms and sectoral approaches in the post-2012 period

Didier Herbert, Head of unit, Sustainable Industrial Policy, DG Enterprise, European Commission [20 minutes]

Discussion

12:00-13:00 Lunch

13:00-15:00 **Session VI: The role of business in sectoral approaches**

Combating climate change requires that business is fully involved in formulation and implementation of policies. Sectoral approaches go even beyond. They are built on the promise of active participation of business and industry and in partnership with government. This session will identify the likely role of business in sectoral approaches and asks what governments need to do to fully engage business, especially focusing on the balance between competition and cooperation including sector-based supporting mechanisms which do not distort the international market.

Introduction by **Christian Egenhofer**, CEPS [10 minutes]

How to utilize private initiatives to advance further sector specific actions in the future framework?

Teruo Okazaki, Nippon Steel Corporation, Japan

Business and sectoral approaches in India

Rakesh Bhargava, Chief Sustainability Officer, Shree Cement, India

Comments² by:

Lasse Nord, Vice President, Hydro

Stephen Gray, Climate Change Capital, London

Vincent Mages, Lafarge

Didier Herbert, European Commission

Panel discussion with all speakers and commentators of the session

15:00-15:30 Break

15:30-17:00 **Concluding discussion**

Based on a brief summary of the main items, this final discussion will allow all participants to engage in a concluding discussion. It is attempted to identify some concrete recommendations and next steps. Participants are invited to raise particular issues suggest specific recommendations.

Introduction by **Dan Klein**, Twenty-First Strategies, Consultant to CCAP and **Christian Egenhofer**, CEPS [10 minutes]

Discussion

17:00-17:55 **Introduction of workshop on Sectoral Approaches in March**

Shin Okamoto, METI [20 minutes]

Discussion

17:55-18:00 Closing by Representative from **METI**

² Approx. 5 minutes