

Day One Summary

Mexico Sectoral Study Workshop

Mexico City, 4 September 2009

2 International Opportunities

1. Conditional NAMAs

- No-lose sectoral intensity targets
- Up-front financing

2. Sectoral Crediting/Cap & Trade

- Derive caps from intensity targets for period
- Could be sector-only or multi-sector
- Links to US/EU Sector credits or to trading systems

Threat: Border Tariffs – Mx can avoid

MX Govt Views/ PECC Next Steps

- Copenhagen is an opportunity, not a threat
- PECC calls for dialogue w/ Industry
- Need to analyze sectoral reduction potential, define sector boundaries & baselines
- Analyze Barriers, needed policy changes
- Define financing needs
- Define MRV structure
- Decide Conditional NAMAs vs C & T or do both

Cement

- Good discussion and first refinement of key mitigation options
- Next step is in-depth collaborative analysis of cost and feasibility of options
- Definition of possible sectoral intensity targets
- Assess the choice between conditional NAMAs and sectoral crediting/C&T

Iron & Steel

- First step is to define mitigation options and analyze potential
- Seek to develop 3-part package for potential action in this sector
 - New financing package for developed countries to invest in new techs/reduction opportunities
 - Cap & Trade design for sector
 - Energy Pricing reform to incentivize participation in C & T

C & T, Conditional NAMAs design

- Workshop/discussions on sector-specific C&T, conditional NAMAs design w/ simulations
- Carry out integrated simulation of 4-sector C&T to understand implications for each sector and for Mx as a whole
- Compare each sector-specific result with competing reduction opportunities in MX and outside – which Mexican opportunities are sufficiently attractive to have likelihood of internatl support?
- Evaluate results of effort in context of potential US/Canada/MX sectoral strategy