

Sectoral Approaches in the Post-2012 Climate Regime

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Outline of Presentation

- Sectoral approaches in the international climate debate
- CCAP work on sectoral approaches
- Sectoral Study Lessons Learned to Date



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Sectoral approaches in the international climate debate

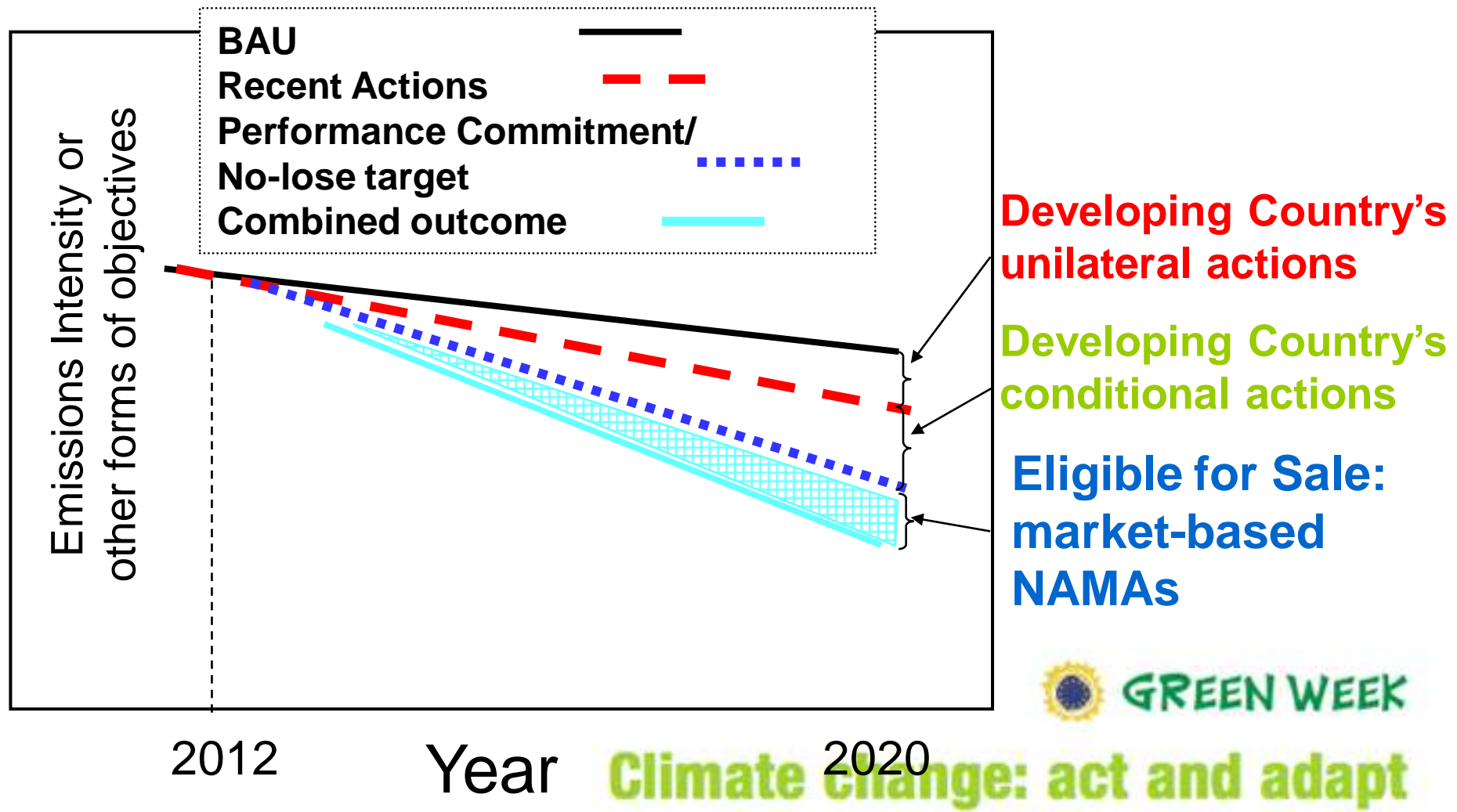
- Developing countries are expected to contribute to the global GHG mitigation effort
 - Bali Action Plan calls for verifiable nationally appropriate mitigation actions (NAMAs) by developing countries supported and enabled by verifiable technology, financing, and capacity-building from developed countries
- Sectoral approaches is a bridge strategy for the next commitment period (2012–2020) to encourage further developing country actions
- Sectoral approaches fit into NAMA concept
 - NAMAs could be grouped to achieve broader objectives, such as sectoral program goals
 - A sectoral approach can be made up of a single NAMA or a group of NAMAs
- Sectoral approaches create technology finance incentives in key internationally competitive sectors (e.g., steel, cement, electricity) to:
 - deploy advanced low carbon technologies



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Developing country contribution to GHG mitigation: three categories of NAMAs



The Sectoral Study

- CCAP is leading a “proof of concept” study of sectoral programs in China, Mexico and Brazil (w/ parallel efforts in India & Indonesia)
- Key questions/issues:
 - What data are available (technologies, costs, emissions, fuel use)?
 - Can potential sectoral goals and support needs be determined from the available data? If so, how?
 - How big an impact can sectoral programs have on global emissions?
 - How can sectoral programs fit into the Copenhagen agreement?
- First attempt at developing potential sectoral goals in Mexico and China



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Broad Sectoral Approach Lessons

Sectoral approaches should:

- have clearly defined objectives
- build on ongoing unilateral mitigation actions
- produce material participation and material emission reductions across sectors and countries
- support national sustainable development strategies
- produce technological innovation and transfer
- offer sufficient incentives to both governments and industry in both developing and developed countries



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Sectoral Goal-Setting Lessons

- Significant data gaps exist – lack of plant-specific and cost data, and concerns about confidentiality → we cannot create “objective” intensity goals
- Capacity building for developing countries needs to begin immediately
- Accounting for **national circumstances** is the key to setting equitable and feasible sectoral goals.
- Goals should not be rigidly limited to sector-wide carbon-per-ton-of-production goals
- Key is implementation – what policies and measures will country adopt to achieve the sectoral goals?
 - Mexico chose trans-sector cap-and-trade system + policy reform
 - Cap-and-trade to include oil, electricity, cement and iron and steel sectors – goal is to have system operational by 2011
 - New Energy Reform and electricity pricing laws



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Thank you!

For more information:

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