



Center for
Clean Air Policy

Dialogue. Insight. Solutions.

The Way Forward

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Fast Start Finance (2010-2012)

- Sectoral programs are likely to be an important vehicle for scaling up of emission mitigation activities and developing MRV procedures
- Supported NAMAs are likely to play a large role, which may initially be focused on capacity-building except for the most advanced DCs
- Supported NAMAs can also be pilots for sectoral crediting during FSF

Sectoral Crediting

- A sectoral NAMA is particularly apt for crediting and will likely be used increasingly after 2012
 - Multiple crediting programs for interdependent NAMAs in the same sector could give rise to conflicts
 - Continued project crediting in a sector could undermine implementation of supported NAMAs
- Sectoral crediting may advance outside the UNFCCC via “buyer country” harmonized policies
- A sectoral approach to trading is likely easier to implement than multi-sector cap and trade because of more uniform MRV procedures within a sector
- Tradable intensity standards could be attractive first step

MRV Systems

- The EU and other Annex I countries are gaining greater experience on MRV of emissions at the individual plant level
- DCs need further capacity building to improve reporting on national emission inventories, develop low carbon development strategies and mitigation
- Some DCs (S. Korea, Mexico, India, and possible China) are considering market-based approaches to energy efficiency and emission mitigation, which will require development of MRV procedures

EITE Benchmarks

- Benchmarks and data developed by EC can be used for evaluation of supported NAMAs and sectoral crediting proposals
- Benchmarks and data can also be useful in US context as EPA defines new source standards for EITE facilities
- While transnational approach to sectoral did not progress in negotiations, the work done by EC on benchmarks could promote some convergence in EITE industries in other developed and emerging economy countries

Linked Trading

- The Sectoral Study emphasized that approaches and targets need to be tailored to individual DCs
- A variegated approach in the near-term need not rule out eventual establishment of cap-and-trade systems that can be harmonized over time to allow linked allowance trading
- Allowance trading among countries could potentially come to replace the system of international offset credits

Concluding Question

Can the long term goal of an integrated carbon pricing system which limits leakage overcome the short-term pressure for continued cheap offset credits in developed countries?

Thank You!

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