

What role for sectoral industry approaches in EU climate change policy?

Side Event

**“Road to Hokkaido Toyako Summit:
Message from Japan as a G8 host country in 2008”**

**Venue: Biofuel, Grand Hyatt, Bali
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EU post-2012 mitigation preferences

- **Absolute national targets**
- **Global emissions trading (entity-based; linked schemes or centralised global ETS)**
- **Plus a number of complementary elements/pillars on e.g. technology etc.**

How can sectoral approaches fit in?

There is interest in sectoral approaches in Europe?

- **BUSINESS:** Eurofer, International Iron and Steel (IISI) Institute, Cement Sustainability Initiative (CSI), International Aluminium Institute (IAI), etc.
- **POLICY:** European Commission energy and climate package (Jan, 2007); High-Level Group on Competitiveness, Energy and the Environment (Fifth report calls for “a roadmap ... to set out the route to operationalise sectoral approaches “
- **OECD/IEA:** various workshops and papers, most recently Baron (2007) in November.

Summary & analysis of EU discussion in:

**“Testing Global Sectoral Industry Approaches to
Address Climate Change”**

**Interim Report of a CEPS Task Force
& Appendices**

Free download at:

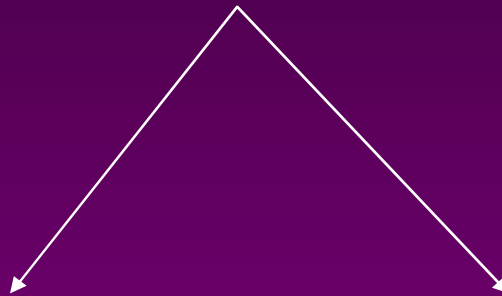
http://www.ceps.be/article.php?article_id=565

Where can sectoral approaches fit in?

International/global



One possible “transition measure” until post 2012 regime agreed (others are free allocation to ETS, border tax adjustments)



Possible element of post-2012 regime

Definition

- **EU “sectoral approaches” = sector-wide transnational approaches that aim to engage a sector at global or international level (Examples: aluminium, cement, steel, IEA Typology (type 3))**

Where can sectoral approaches fit in?

A. International/global

Preconditions for sectoral approaches to work as tool for *transition* period

1. Address practicalities (data collection, benchmarking, etc.)
2. Provide incentives to developing countries
3. Meet government challenge (within industry, developing countries and post-2012 regime)

+ Support rather than hinder existing EU policies and negotiation

Where can sectoral approaches fit in?

B. Post-2012 regime

Preconditions for sectoral approaches to work as tool for *transition* period

- 1. Address practicalities (data collection, benchmarking, etc.)**
- 2. Provide incentives to developing countries**
- 3. Meet governance challenge (within industry, developing countries and post-2012 regime)**

Conclusion

If sectoral approaches have a future in both transition period and beyond, they need to show they can:

- Address practicalities**
- Provide incentives to DC**
- meet governance challenges**

**“Sectoral approaches need to become
solution to negotiations, not an
additional problem”**



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