

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION**

Third session

Accra, 21–27 August 2008

Agenda item 3 (a–e)

Enabling the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, by addressing, inter alia:

A shared vision for long-term cooperative action

Enhanced national/international action on mitigation of climate change

Enhanced action on adaptation

Enhanced action on technology development and transfer to support action on mitigation and adaptation

Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation

**Report on the workshop on cooperative sectoral approaches and
sector-specific actions, in order to enhance implementation of
Article 4, paragraph 1 (c), of the Convention**

Summary by the chair of the workshop

I. Introduction

1. The Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) agreed its work programme for 2008¹ at its first session. The AWG-LCA also agreed that its work should be facilitated by workshops and other activities to clarify and deepen understanding of the elements contained in decision 1/CP.13 (the Bali Action Plan). The AWG-LCA, at the same session, requested the secretariat, under the guidance of the Chair in consultation with Parties, to organize a workshop at its third session on “Cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1(c), of the Convention”.²

2. This note by the Chair of the AWG-LCA, Mr. Luiz Alberto Figueiredo Machado, summarizes the presentations, exchange of views and discussions by Parties at the workshop. Background to the discussions in the workshop was provided by Parties’ submissions specific to this workshop and to the sessions of the AWG-LCA, and by the Chair’s summaries of views expressed at the first and second sessions.³

3. The workshop was chaired by the Chair of the AWG-LCA.

4. Presentations were delivered by the following eight Parties: Philippines on behalf of the Group of 77 and China; the European Community; India; Japan; Bangladesh speaking on behalf of the least developed countries; China; Indonesia; and the Republic of Korea. After the presentations, interventions were made by representatives of Australia, Qatar, Colombia, Saudi Arabia, the United States of America, Iceland, Switzerland, the Republic of Korea, the European Community, Norway, Japan, Philippines,

¹ FCCC/AWGLCA/2008/3.

² FCCC/AWGLCA/2008/3, paragraph 26.

³ FCCC/AWGLCA/2008/6 and FCCC/AWGLCA/2008/11.

China, New Zealand, Grenada on behalf of the Alliance of Small Island States, India, Brazil, Mexico, Argentina, Timor-Leste and Chile.

II. Summary of discussions

5. In their presentations and throughout the exchange of views, many Parties stressed that Article 4, paragraph 1(c), of the Convention provided the context for any discussions on cooperative sectoral approaches and sector-specific actions. Many Parties highlighted that such discussions should be aimed at enhancing the implementation of Article 4, paragraph 1(c), through technology cooperation focusing on the specific needs of specific sectors.

6. The importance of principles underlying the discussion and implementation of cooperative sectoral approaches and sector-specific actions was raised by some Parties. Such principles included: ensuring that these approaches contribute to the ultimate objective of the Convention and deliver real climate benefits; observing the principle of common but differentiated responsibilities; considering these approaches within the development context; taking into account national circumstances; ensuring compatibility with the global carbon market and existing or emerging regional emission trading schemes; and avoiding the application of international standards across countries.

7. Parties had an opportunity to clarify the nature and scope of potential cooperative sectoral approaches and sector-specific actions. Some Parties saw these approaches and actions as one of several options to enhance national action on mitigation. A distinction was drawn during the discussions between sectoral agreements and sectoral efforts, and between actions and approaches based on cooperation on the one hand and those that use market approaches on the other.

8. Some Parties noted that cooperative sectoral approaches and sector-specific actions would involve cooperation and action at the sector level, as opposed to action that is defined for the national level. It was generally agreed that these approaches and actions should not replace emission reduction targets of developed countries nor form the basis of proposals for sectoral mitigation commitments or international technology benchmarks. Some Parties noted that these approaches and actions should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Some Parties shared the view that these approaches and actions could be an important means to engage the private sector in enhanced action on mitigation.

9. Discussions on various aspects of the application of cooperative sectoral approaches and sector-specific actions helped Parties to better understand these approaches and actions. It was suggested that these approaches and actions could be used as offset mechanisms or be applied to enhance action on mitigation. In this context, some Parties noted that the application of sectoral approaches and the implementation of sector-specific actions would differ between developed and developing countries. As regards developed countries, Parties largely agreed that these approaches and actions could complement national emission reduction targets. Some Parties suggested that they could be used to ensure comparability of efforts between developed countries if information at the sector level was used to determine mitigation potentials.

10. As regards developing countries, several Parties noted that these approaches and actions should focus strictly on technology cooperation, addressing all stages of the technology cycle and all technologies that control, reduce or prevent greenhouse gas emissions. Other Parties noted the importance of these approaches and actions in providing opportunities for nationally appropriate mitigation actions by developing countries. In this context, many Parties indicated that the process of identifying and implementing sector-specific actions should be voluntary and country-driven. Further, for developing countries this process of identifying and implementing sector-specific actions should be flexible and determined by their national capabilities and development goals.

11. Ideas for cooperative sectoral approaches and sector-specific actions were provided by some Parties. These included: programmes for research and development of sector-specific technologies; funds and other mechanisms to support compulsory licensing, the payment of royalties, the setting of sector-specific norms or non-binding energy efficiency programmes, and the development of policy instruments, strategies, guidance and programmes for specific sectors; and cooperation in the sharing of best available technologies and practices. Many Parties emphasized that implementation of cooperative sectoral approaches and sector-specific actions in developing countries depends on the availability of financial resources, technology and capacities.

12. Another aspect of applying these approaches and actions that was raised by some Parties was the identification of specific sectors, in particular those that are an important source of greenhouse gas emissions, such as the energy and transport sectors and the cement, iron and steel, and aluminium industries. Similar discussions focused on the level at which these approaches and actions would apply. Several Parties suggested focusing on approaches and actions that are defined and applied domestically. A few Parties suggested that these approaches and actions could apply at the global level for those sectors whose emissions are difficult to attribute to a specific country; the example of emissions from international aviation and marine bunker fuels was given in this regard. It was also noted that mechanisms established at the international level may limit the flexibility of Parties in focusing action at the national level on the most relevant sectors.

13. Several Parties referred to challenges and complexities associated with the implementation of sectoral approaches and sector-specific actions. Most of these challenges relate to national economic, social and political circumstances. Some of the challenges cited by these Parties included the costs and social implications of sectoral restructuring and diffusion of advanced environmentally sound technologies; a lack of qualified human resources; weak infrastructure for policy enforcement; the diversity of sectors and industries as well as of factors that determine emissions (or reduce them); a lack of homogeneity of technologies, processes and other factors preventing the setting of norms; and inhibited technological innovation resulting from closely held intellectual property rights.

14. Specific proposals for cooperative sectoral approaches and sector-specific actions presented at the workshop included crediting mechanisms involving sectoral crediting and no-lose targets; the identification of sector-specific actions based on the analysis of emission reduction potentials and indicators; and the setting of a target for emissions from international shipping. Suggestions to use indicators such as energy and carbon intensity and activity levels were also presented at the workshop.

III. Possible areas of focus

15. The workshop provided a good opportunity for Parties to present and discuss ideas relating to cooperative sectoral approaches and sector-specific actions in order to enhance implementation of Article 4, paragraph 1(c), of the Convention, as well as ideas on the effectiveness of mechanisms and tools for technology cooperation in specific sectors. Several areas of interest and convergence emerged during the discussions, which could be further considered by Parties. They include:

- (a) The nature and type of cooperative sectoral approaches and sector-specific actions;
- (b) Effective support mechanisms, including for technology cooperation, involving technology, finance and capacity-building to enhance implementation of Article 4, paragraph 1(c), of the Convention;
- (c) Possible contribution of sector-specific actions to nationally appropriate mitigation actions in a measurable, reportable and verifiable manner;

- (d) Opportunities to engage the private sector and intergovernmental organizations in activities to enhance mitigation in specific sectors.
