

Japan's View on Sectoral Approach

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What is Sectoral Approach?

Concept

- SA is a tool to address global emissions by sectors
- Basic concept of SA is embedded in the Kyoto Protocol

Advantages

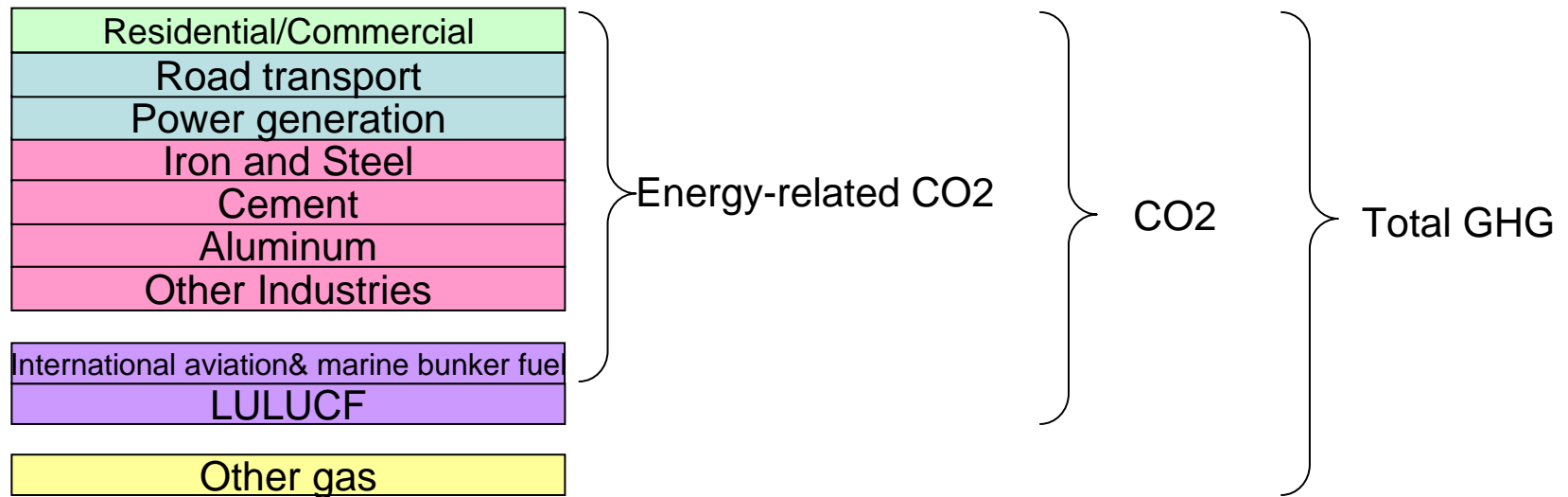
Through analyzing reduction potentials and setting indicators, SA is useful in

- setting ambitious and feasible national reduction targets for developed countries, ensuring comparability
- promoting effective technology transfer

Principles

- 1) Not replace national emission reduction targets
- 2) Consistent with the principle of “common but differentiated responsibilities and respective capabilities”
- 3) Not apply a single common standard to all countries
- 4) Not lead to any trade sanctions

Step1: Focus on sectoral emissions



Step2: Analyze Sectoral emission

Efficiency/Intensity

×

Activity

=

CO2
Emission

Evaluate Improvement of efficiency based on technologies

Iron and steel

Emission per unit production/energy consumption per unit production

Evaluate Improvement of intensity by policies & measures

Residential

Low-carbonization of social system, national campaigns, enhanced recycling

Estimate Activity level

Estimate CO2 Emission

Step3: Compare the developed countries' efforts

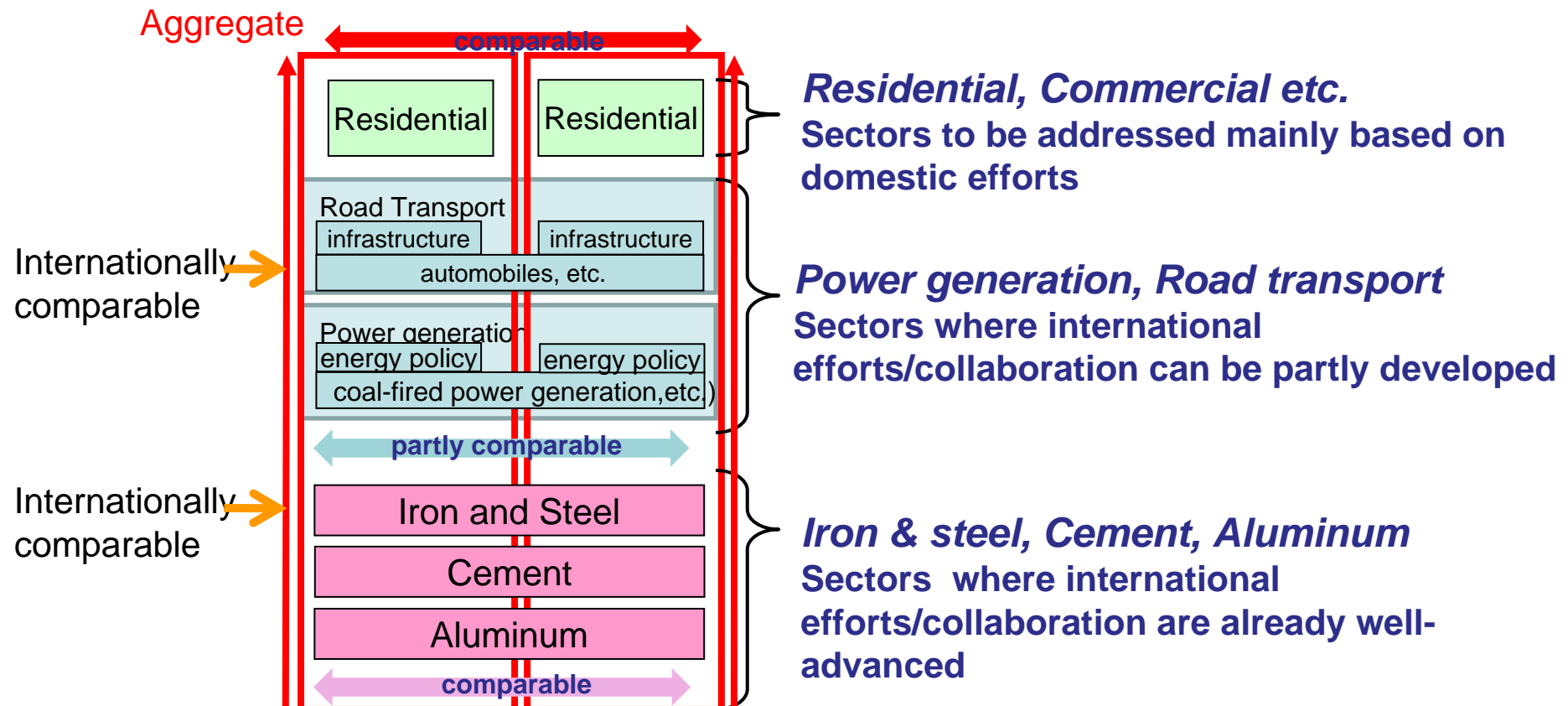
(1) Aggregate potential of each sector to estimate national potential

Iron & steel, cement, aluminum □ based on international efficiency indicator

Power generation, road transport : based on international efficiency indicator and national policy

Commercial, residential : based on national policy

(2) Cross-check and adjust the level of aggregated national target from the viewpoint of comparability using various indicators (e.g. intensity, marginal abatement cost etc.)



Step4: Disseminate BAT to promote MRV actions

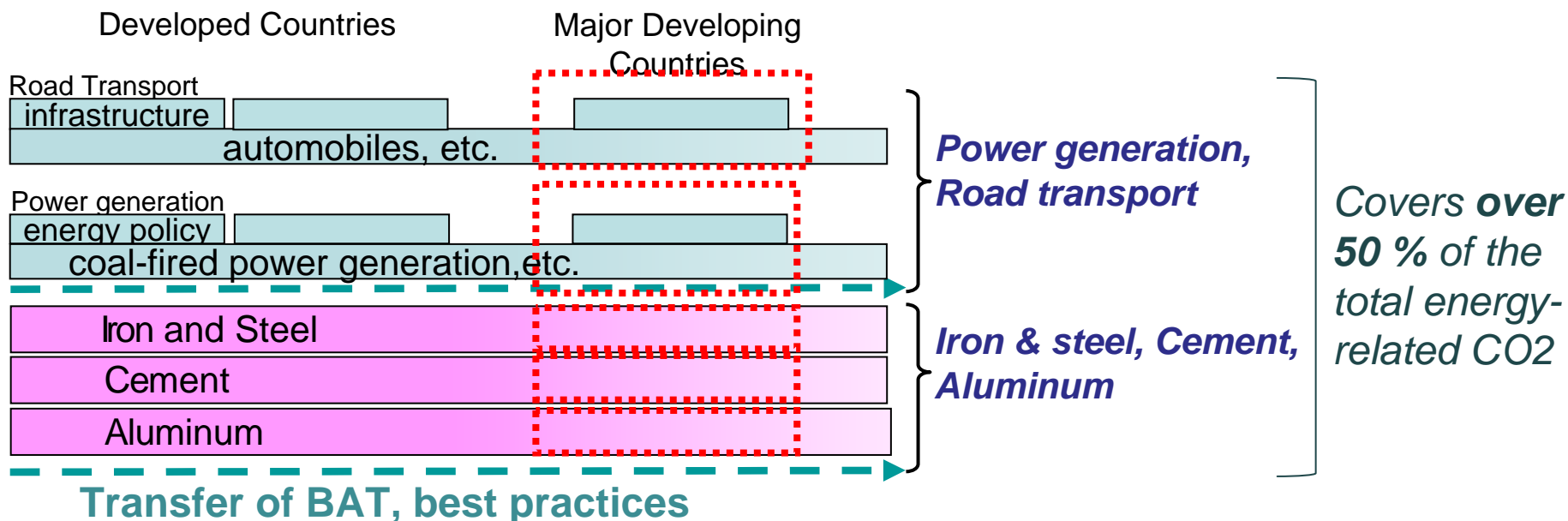
National efforts of developing countries can be supported by

- identifying BAT and
- promoting effective transfer of them through analyzing reduction potentials

Major developing countries can use sectoral efficiency indicators to set MRV mitigation actions

Many of these actions have no regret nature with co-benefits (e.g., energy conservation, less air pollution)

*BAT: Best Available Technology



Example of cooperation under the Asia-Pacific Partnership (APP)



Scheme of Sectoral Approach

Through analyzing reduction potentials and setting indicators, SA

- helps to compare the developed countries' efforts
- accelerates global emissions reduction by
 - supporting national efforts of developing countries through transfer of technologies
 - helping to set MRV mitigation actions of major developing countries

CO2 emission reduction target

Compare the efforts

Developed Country X

Developed Country Y

Major Developing Countries Z

Aggregate

Residential

Residential

Infrastructure

Infrastructure

Infrastructure

Automobiles etc.

Energy policy

Energy policy

Energy policy

coal-fired power generation etc.

Iron and Steel

Cement

Aluminum

MRV actions
(e.g. based on efficiency indicators)

International Cooperative Actions

e.g. APP, IISI, IAI and CSI of WBCSD

The way forward

- Compile information on SA provided by parties and launch workshops etc. with industry and academics.
- Utilize energy efficiency indicators and BAT data etc. (currently identified by IISI and IAI, IEA and APP) and the output of the cooperative work by IEA and to materialize SA.
- Utilize inputs from industries and experts in such fora as the informal industry ministerial meeting before COP14.

* Japan will host the 2nd international WS on SA on 22nd, October in Paris

Meeting in Poznan

- Collect related information on SA from Parties (sectoral reduction potential analysis by parties, etc)
- Collect information from IEA, APP, industrial sectors and experts.
- Consider materialization on SA at the Business Roundtable.

Early 2009

- Consider sector-specific reduction efforts for power generation, transport, steel, aluminum, cement (through workshops, etc.)
- Consider technical/financial support for developing countries.
- Consider comparability among developed countries