



CLIMATE FOCUS

Sectoral Approaches under JI

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“Sectoral” Approaches

Standardised baselines

- Regular CDM/JI
- Pre-defined baseline level

Programmatic

- Large numbers of and homogeneous activities implemented over a longer period of time.
- Can not be a policy or standard (under CDM).

Sectoral

- Governments account for reductions
- Policies can stimulate ‘beating’ targets
- Host country governments receive carbon revenues
- CDM: define baseline
- JI: define criteria for baseline setting.
- Link with inventories?



Proposals on Sectoral Approaches

- Proposals include:

(1.) A sectoral crediting mechanism. Gives credits in a sector against a defined (no-lose) baseline. The baseline is set based on an intensity basis, or as a fixed quantity of emissions.

(2.) Sectoral trading, based on fixed targets, with an ex ante allocation.

(3.) Technology based sectoral objectives.

- CDM: Technology transfer

- JI: Barrier to innovation?

US:

- Sectoral definitions of additionality



Setting Sectoral Baselines

- Power generation and transmission: tonne of CO₂e(/MWh)
- Cement, aluminium, steel, paper: tonne of CO₂e(/tonne product)

Sectoral CDM

- Define baseline levels
- Hard targets: tCO₂(/unit)
- Stimulate reduction or slower emission growth

Sectoral JI

- Define criteria for baseline setting
- Credibility
- Alternative to GIS



Summary

- Sectoral approaches can support transition towards broader country-level mitigation efforts:
 - New sectors
 - Transition to cap-and-trade
- Could address possible concerns on the credibility of GIS
- Relation with inventories?

Contacts



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