

SUBMISSION BY FRANCE ON BEHALF OF THE EUROPEAN COMMUNITY AND ITS MEMBER STATES

This submission is supported by Croatia, Turkey, Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia

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**3rd session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 3)
Accra, 21-27 August 2008**

Subject: Workshop on cooperative sectoral approaches

Overall objectives of EU on sectoral approaches

1. France, on behalf of the European Community and its Member States, welcomes the opportunity to submit views, ideas and proposals on the elements contained in paragraph 1 of the Bali Action Plan, in order to focus the consideration of all the five elements by the AWG-LCA. In this submission, the EU outlines its views on Paragraph 1(b)(iv) of the Bali Action Plan, which reads: ‘cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1 (c), of the Convention’.
2. The EU looks forward to engaging in constructive discussions on the concept of sectoral approaches in Accra. The EU believes that a discussion of this issue under the mitigation part of the Bali Action Plan will contribute to exploring further mitigation efforts in a range of sectors, including at national level.

Principles guiding the implementation of sectoral approaches

3. The EU recognizes that there is a lot of confusion and concern around the concept of sectoral approaches. It therefore believes that the discussion would benefit from having agreement on some key principles to open up the possibility of a fruitful consideration of how sectoral approaches could be implemented by Parties.
4. The EU would therefore want to propose that the issue of sectoral approaches is guided by the following principles:

- Sectoral approaches must contribute to achieving the ultimate objective of the Convention and should be part of a shared vision. The EU believes that the shared vision should translate the ultimate objective as defined in Article 2 of the Convention into common and shared understanding on putting the world on a pathway towards a low carbon society that keeps temperature below 2°C above pre-industrial levels and thereby avoids dangerous climate change.
- For developed countries sectoral approaches should be a complement, not a substitute to binding absolute emission reduction targets in the UNFCCC context.
- Governance schemes for monitoring, reporting and verification have to be robust to ensure environmental integrity and compliance.
- When introducing market instruments in sectoral approaches this has to be compatible with a global carbon market.
- Sectoral approaches should not undermine the principle of “common but differentiated responsibilities and respective capabilities”.

Definition of sectoral approaches

5. The EU believes that the consideration of sectoral approaches would also benefit from a further clarification of what these approaches could be. Early interventions by Parties on this issue at AWG LCA 1 and 2 showed that Parties have indeed very different interpretations of this concept.

6. The EU considers that the main variables included in Paragraph 1(b)(iv) of the Bali Action Plan revolve around:

a. **their type**: i.e.

- carbon market instruments (and if so whether those instruments should include absolute caps, intensity benchmarks or other);
- technology policies applied at sectoral level;
- other approaches such as national sectoral policies based on regulation and/or standards;

b. **their nature**: voluntary or mandatory;

c. **their scope**: national, regional or global;

d. **how to select the sectors** to be addressed.

7. The EU believes our deliberations under the Bali Action Plan have to explore all of the above variables to allow parties to make informed decisions, including current proposals such as:

a. Market based sectoral approaches giving incentives to developing countries to participate in global mitigation efforts. There are various types of market related sectoral mechanisms which could be explored, among others national or international emissions trading, sectoral no-lose mechanisms and sectoral crediting mechanisms.

b. Non-market based sectoral approaches such as cooperative approaches based on technology cooperation and/or domestic sectoral mitigation policies could contribute to removing barriers that are specific to certain sectors, increase technology deployment and enhance technology RD&D in key sectors in developing countries – and provide an intermediary step for some developing countries for participation in mitigation actions.

8. In general, the EU believes that the sectoral approaches building on mechanisms as mentioned in previous paragraph could facilitate and enhance implementation of national climate policies as well as enabling international support and capacity building.

9. In addition, specific sectoral approaches could also be applied to the emissions of the international aviation and maritime transport sectors. The EU recognises that these may be different from sectoral approaches for other sectors, because these sectors are not currently included in existing quantified limitation and reduction obligations. However, these sectors also need to be covered in any post 2012 regime.

Further exploration – next steps in Accra

10. To conclude, the EU believes that sectoral approaches based on different kinds of tools/instruments and targeting different sectors in different countries could be part of a Copenhagen agreement to allow all Parties to broaden their mitigation efforts.

11. In Accra the EU would therefore like to focus the discussion on the following issues:

- The principles guiding the implementation of sectoral approaches;
- Further clarification of what sectoral approaches are;
- Starting discussions on options, i.e. which approaches and tools could be applied in which countries and in which sectors;
- Exploring how common but differentiated responsibilities and capabilities could be reflected in global sectoral approaches.
