IEA International Workshop
Sectoral Approaches to International Climate Policy

Session 2:
17:30-18:15 Panel: What role for sectoral mitigation *analysis*?

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Themes

1. **Limits of mitigation potential concept - Lessons from the AWG Kyoto**

2. **Separate “globally trading industry sectors” from ‘rest of economy” to allow for “differentiation” while addressing “competitiveness”**

Lessons from AWG (Kyoto): Limits of mitigation potential "concept"

No agreed definition, nor a method for determining it

- Methodological complexity; Mitigation potential as market, economic, socio-economic, technological or physical potential? Should lifestyle changes be included?
- How to include co-benefits; issue of quantification
- Domestic versus total (including CDM/JI) potential
- What is a "responsibility" potential? - differentiation
- A per capita metric means right to emissions while objective is right to economic growth

Keep it simple … reduces utility of concept

Separate "globally trading industry sectors" from "rest of economy" to allow for "differentiation" while addressing "competitiveness"

- **Notion of differentiation between Annex-I and non-Annex-I "globally trading industry sectors" becomes questionable e.g. Tata Steel, Cemex ….**
  → analogy EU ETS versus non-ETS sectors – Note: differentiation is possible if justified …

- **Industries easily identifiable, i.e. sectors where "carbon costs are significant part of variable costs" such as steel, cement, aluminium, paper & pulp, lime plus one or two … + APP + sectoral approaches**