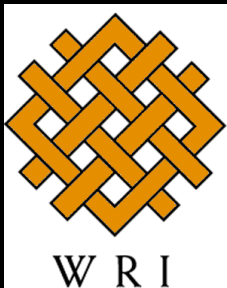


Technology and sectoral approaches

Sectoral Approaches to International Climate Change Policy Workshop

IEA, May 15th 2008

Session 3



Rob Bradley

Climate, Energy and Pollution Program

World Resources Institute

rbradley@wri.org

<http://www.wri.org>



Bali and sectors

- Developing country mitigation actions
- Technology development and transfer
- International sectoral approaches

Developing country actions

Art. 1 (b) (ii)

Nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner;



Technology approaches

Art 1

(d) Enhanced action on technology development and transfer to support action on mitigation and adaptation, including, inter alia, consideration of:

...

(iv) The effectiveness of mechanisms and tools for technology cooperation in specific sectors;



Technology approaches

- Emergent funds and mandates.
- Limitations to date often shaped by competitive and commercial concerns.
- R&D cooperation generally best in basic science.
- How to prioritize?
 - Cost factors: IP, technology risk, raw material constraints, transaction costs.
 - Sectors with wide geographical/ political reach.
 - Technologies with major emission reduction potential.
- How many technologies can we work on explicitly?

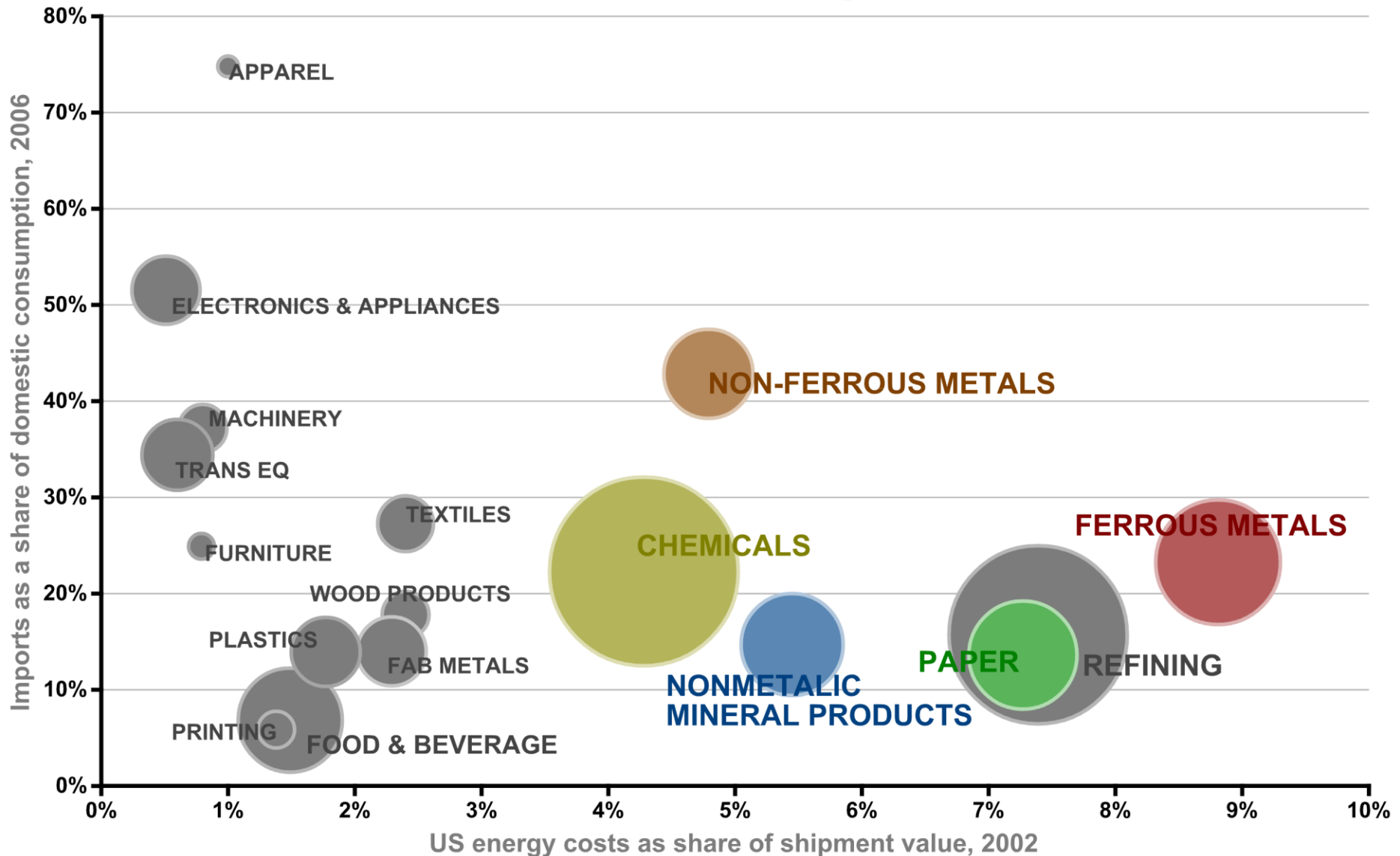


“Sectoral approaches”

(iv) Cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1(c), of the Convention;

Industry Exposure to Climate Costs

Carbon-intensity and trade exposure



Source: BEA, EIA and CSA estimates. Circle size indicates 2002 US CO2 emissions

Technology in competitive sectors

Constraints

- Politically hard for Annex I countries to pay for competitive advantage in other countries.
- Lots of technology opportunities elsewhere, particularly in power.

Opportunities

- Some technologies are important for emissions but do not enhance competitiveness (but not likely near term).

Technology in competitive sectors

- Key factor is to apply some relatively uniform cost.
- Technology mandates risk suppressing innovation
- Technologies that do not provide competitive advantage – e.g. CCS – may be easier to finance internationally.
- International support may also focus on the governmental (enforcement, regulation, monitoring) costs.

Conclusions

- Technology cooperation is key to the post-2012 framework.
- Not clear that a “sector” approach to thinking about technology adds much.
- Technology cooperation will be easiest where commercial/ competitiveness concerns are low.
- Power sector is key, and clearer standards for priority setting are needed.