

Technical Workshop on Climate-Energy
Policy Approaches for the Industrial Sector

16 January 2015

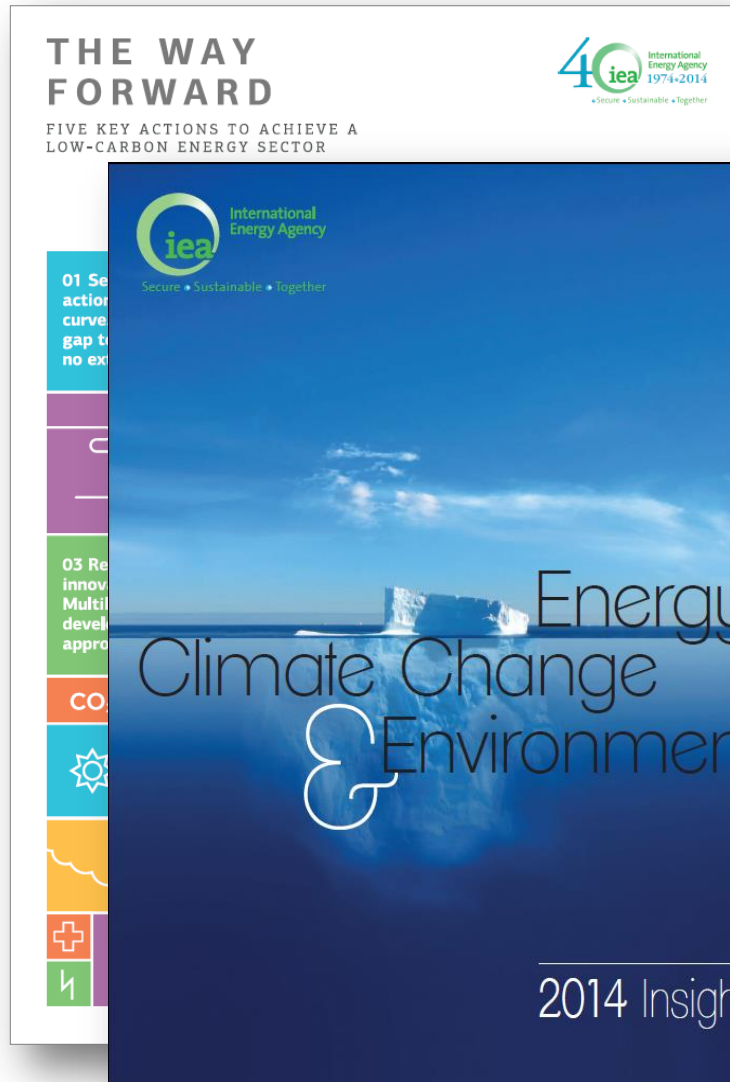


CLIMATE-ENERGY POLICY APPROACHES FOR THE INDUSTRIAL SECTOR

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IEA work in 2014



- **“Key messages” 8-pager for COP20 Lima**
- ***Energy, Climate Change & Environment 2014***
 - Policies and actions to “unlock” existing high-emissions assets
 - The new landscape of emissions trading systems
 - Energy metrics: A useful tool for tracking decarbonisation progress
 - Air pollution-GHG emissions nexus: implications for the energy sector (this year’s special focus)
 - Trends in energy / emissions data

Links:

https://www.iea.org/topics/climatechange/The_Way_Forward.pdf

<http://www.iea.org/Textbase/npsum/EECC2014sum.pdf>

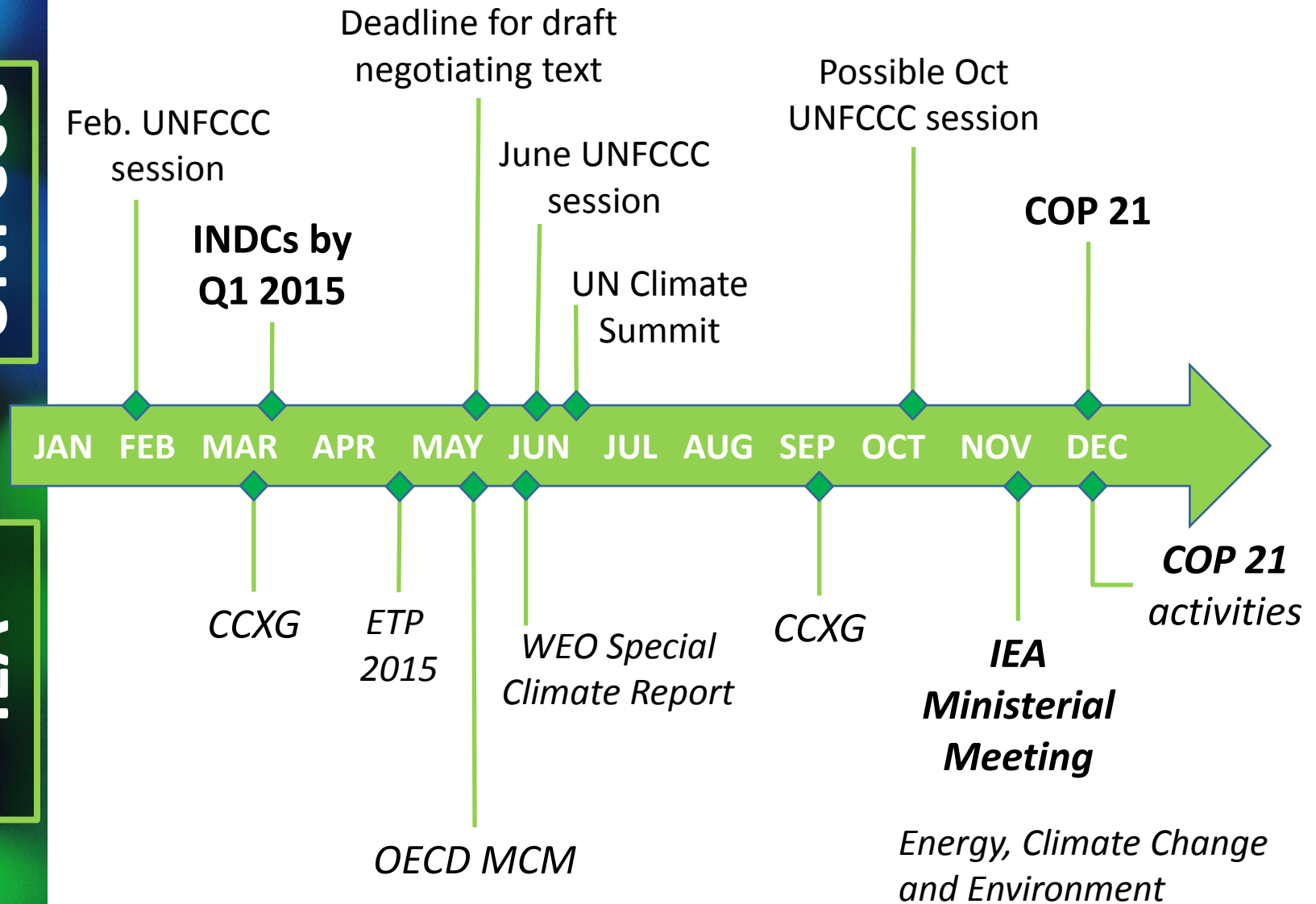


IEA work in 2015

UNFCCC

2015

IEA



Deadline for draft negotiating text

Feb. UNFCCC session

INDCs by Q1 2015

June UNFCCC session

UN Climate Summit

Possible Oct UNFCCC session

COP 21

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

CCXG

ETP 2015

WEO Special Climate Report

CCXG

IEA Ministerial Meeting

COP 21 activities

OECD MCM

Energy, Climate Change and Environment



Climate-energy policy approaches for the industrial sector

Technical workshop

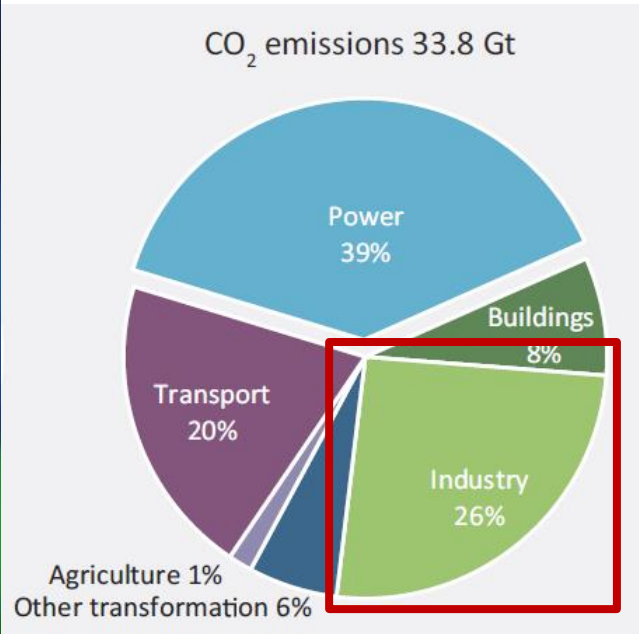
Workshop objectives

- Inform IEA work on *Policy Approaches for the Industrial Sector*:
 - Share best practices and lessons from country cases;
 - Assess policy evaluation methods;
 - Explore recommended actions for governments and industry.

Context

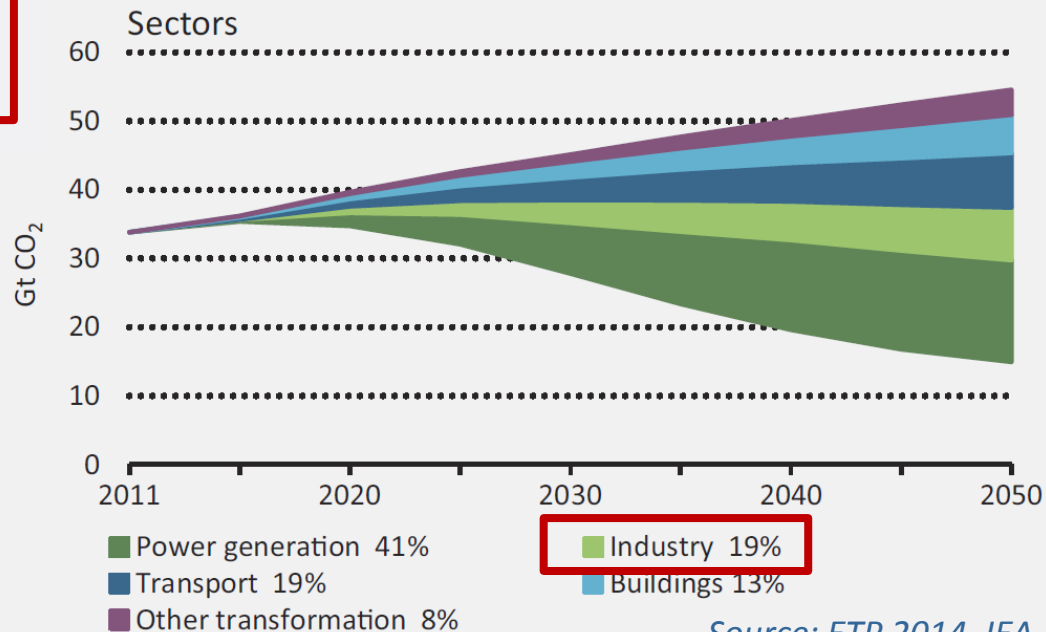
- Current status and gaps: emission shares and trends
- What actions can industry take?
- What are the challenges and obstacles to taking action?
- How can governments and other stakeholders facilitate action?
- Voluntary actions – pros and cons

Industry emissions



← 37% of total final energy use
26% of direct CO₂ emissions

↓ Represents 19% of emissions reductions between 6DS and 2DS



Actions and challenges

■ Types of actions:

- Emissions reporting and reduction targets
- Energy efficiency, fuel switching, recycling, renewable energy
- Climate-friendly products and influencing the supply chain
- Levels: industry associations, SMEs, MNCs

■ Challenges:

- Slow stock turnover and financial constraints
- Effects of fuel switching and waste re-use; limits to production processes; limited availability of recycled materials
- R&D costs and risks; regulatory uncertainty

Considerations

■ **Company size:**

- Small and medium-sized enterprises (SME) vs. multinational corporations (MNC)

■ **Industry type:**

- Some industries easier than others: differences in abatement cost and emission reduction potential

■ **Location:**

- Developing vs. transition vs. developed economies

■ **Other:**

- Trade exposure

Policy approaches

Voluntary

- Voluntary agreements
- Targets
- ...

Market

- Taxes
- Trading
- ...

Regulatory

- Performance standards
- Mandated technologies
- ...

Voluntary actions

- **Why take action?**
 - **Improve competitiveness:** cost savings, human resource development, corporate image/reputation
 - **External stakeholder pressure** from consumers, supply chain, shareholders

- **Advantages**
 - Lower cost, builds capacity
 - Achieves results when regulations not possible

- **Limitations/challenges**
 - Quality and transparency of data
 - Effectiveness

Workshop

- Lessons learned and best practices: Climate change policy measures in industry
- Roundtable discussion: Considering further approaches for climate change policy measure in industry – role of regulation, market and voluntary approaches



Thank you

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