



Position Paper on a Sectoral Approach to GHG management

24 March 2009

A sectoral approach (SA) to greenhouse gas management requires the participation of all major emitting economies and should challenge each sector beyond national borders under the UNFCCC framework.

The specific actions forming part of such approach would differ from sector to sector, dictated by characteristics of each sector's structure and technology potential. The SA mitigation actions shall, in all cases, be measurable, reportable and verifiable, on the one hand, and field tested, reviewed and shared, on the other, considering sustainable development, efficiency and effectiveness. They would also be differentiated geographically depending, inter alia, on the degree of economic development and on the commitment of the national governments involved.

The Cement Sustainability Initiative (CSI) has launched the "Getting the Numbers Right" initiative collecting consistently worldwide data on CO₂ emissions in the cement industry and is currently developing a SA. A further cement sector collaboration was initiated in 2006, called the Asia-Pacific Partnership on Clean Development and Climate, Cement Task Force (APP). Developed and developing nations representing more than 60% of the global cement production capacity (notably China and India, two nations with rapidly growing cement industries) are participating in this initiative. The focus of the APP program is on reducing greenhouse gas emissions and promoting energy efficient technology applications. These objectives are being achieved through a series of collaborative projects contained within a multi-year action plan. This program provides an already well organized foundation from which a global cement sector program will potentially grow. National/regional cement associations are following and supporting both initiatives and should reflect on how they can develop this work into policies.

A SA is a process that can provide the cement industry, globally, with a full range of opportunities including (but not limited to):

- Achieving global GHG reductions in a cost effective manner;
- Facilitating the dissemination of best practices, benchmarks based on performance indicators, energy efficiency measures and technology transfer;

- Harnessing the business instincts of industry whilst avoiding the relocation of cement manufacturing;
- Facilitating the faster development of missing technology elements via pre-commercial development, deployment and funding agreements.

This should be a continuous process. Goals will depend on the final shape and timeliness of an international agreement.

When appropriate, measures drawn from the SA should be mandatory. Even though actions on a voluntary basis can begin more quickly, mandatory participation by key producers will be ultimately required to have a significant impact.

In relation to policy makers, it offers benefits that should make such an approach attractive by providing and facilitating:

- Implementation of climate change measures;
- An opportunity to influence global and local climate policies;
- An opportunity to cooperate on pre-commercial future technology development;
- Promotion of policies to minimize trade distortions arising from different carbon policies;
- Development of a financial mechanism if and where applicable;
- Development of a sectoral agreement if and where applicable.

Governments should be invited to:

- Determine long-term national/regional goals and processes, according to national/regional variations (e.g. degree of development, local policies, availability of resources);
- Prepare specific policies and measures that maximize a sector's mitigation potential with our involvement;
- Create incentive mechanisms to drive investment and adoption of new technologies (also helping to overcome regulatory and financial barriers that today prevent the adoption of many cost-effective efficiency measures in developing countries);
- Develop practical monitoring, reporting and verification approaches compliant with international standards.




Finally, in order to ensure a global level playing field with comparable effort between countries and between sectors, the discussion will be extended to other trade federations including those located in the BRICs countries.

The following incentives should encourage developing countries to participate in the SA:

- Improvement of national energy efficiency and hence, energy security;
- Being able to start addressing climate change concerns without necessarily taking economy-wide actions;
- The potential opportunity for rewards, such as financial support;
- Having potential access to improved technology and operational know-how.

It is currently essential not to narrow down the scope of the SA in the cement sector, due to different practices prevailing at national/regional level, and with emissions located in countries with varying degrees of economic development. It should be pursued with an open mind to assess what the contributions of a common approach could be at all levels with the proper adjustment at each level.

It is important that, prior to the use of a SA in any given country or region, consultation with the Associations must be established to avoid detrimental effects either at the specific location or in any other country or region.

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