



Sectoral challenges to decarbonisation and the role of international cooperation



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4. Policy Implications



1. Background

Overall workpackage consists of 4 tasks:

1. The core challenges and governance functions of international climate governance
2. Adequacy of the Paris outcome in the context of the broader climate regime complex
3. In-depth analysis of international governance landscape in selected key issue areas
4. Linking the international climate regime to the political economy barriers of raising ambition



2. Sectoral decarbonisation challenges

14 SECTORAL SYSTEMS

- Agriculture
- LULUCF
- Waste
- The circular economy
- Power Sector
- Energy-intensive industry
- Extractive industries
- Transport
- International transport
- Urban systems/settlements
- Buildings
- Products and appliances
- Finance and investment
- Fluorinated GHGs



2. Sectoral decarbonisation challenges

- **Economic barriers:** costs and competitiveness – upfront investment – high infrastructure expenditure
 - **Political and institutional barriers:** large incumbents – unclear division of labour among agencies – lack of enforcement/regulation
 - **Technological barriers**
 - **Lack of awareness, information and capacity**
- **Variation across and within sectors (dynamic)**



3. The demand for international cooperation

5 KEY GOVERNANCE FUNCTIONS OF INTERNATIONAL INSTITUTIONS

- Guidance and signal
- Setting rules
- Transparency and accountability
- Means of implementations (CB, technology, finance)
- Knowledge and learning (data/information, policies)



Sectors	Guidance and Signal	Setting Rules	Transparency and Accountability	Means of Implementation	Knowledge and Learning
Agriculture	Medium	Medium	Low	High	High
LULUCF	High	High	High	High	Medium
Waste	High	Low-Medium	Low	High	Medium
Circular economy	(-)	High	Low	High	High
Power	High	Medium-High	Medium	High	Low-Medium
Energy-intensive industry	High	High	Medium-High	High	High
Extractive Industries	High	High	Medium (FFS: High)	Medium-High	Medium
Transport	High	Medium-High	Low	High	Medium
International transport	High	High	High	Medium	Medium
Urban Systems	High	Low	Medium	High	High
Buildings	High	Medium-High	Medium	Medium-High	Medium
Appliances	High	Medium	Low	Medium	Medium
Financial sector	High	High	Medium (FFS: High)	Medium	High
Fluorinated GHGs	High	High	Medium	High	Low

4. Policy implications

Strengthening sectoral climate governance

- 2018 Facilitative Dialogue and subsequent 5-yearly Global Stocktake
- Address sectoral transformation challenges
 - Emerging transparency system under Article 13
 - Long-term low GHG emission development strategies under Article 4.19
 - Elaboration of new and revised NDCs
- Sectoral orchestration of international and transnational governance initiatives



Thank you for your attention!

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