



Capacity building

Main challenges and opportunities

Stockholm Conference on Climate Change, trade
and standardization – in a development perspective

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Background

- Intelligent use of standards and labelling schemes can be an important vehicle in tackling climate change.
- That said, as exemplified by the recent emergence of multitude of “carbon footprint labelling” initiatives, there is significant danger that the experience of multiplication of private standards in food safety will be replicated in this area, with many different private schemes mushrooming – outside the control of the multilateral trade and environment regime.
- One of the key issues is to ensure that developing countries have the requisite capacity to effectively use standards and ensure that they can have access to the benefits arising from new economic/trading opportunities.



Proposed typology of climate related standards schemes

- Carbon footprint measurement (e.g. PAS 2050, ISO/TC207)
- Carbon footprint labeling on products (Tesco, Migros, Leclerc etc.)
- Energy efficiency (product based; management system based – ISO 50001)
- Composite standards that tackle number of sustainability issues including climate change (e.g. sustainability standards for bio-fuels, organic)
- Private codes of conduct including carbon footprint of whole company (e.g. Marks and Spencer...)



The key capacity building needs for developing countries:

- Participation in standard development
- Access to information on standard schemes
- Analytical capacity in applying life-cycle methodology for own products
- Applying the methodology in the production chain to identify cost-effective points of control
- Communicating position (e.g. example of Kenyan green beans in the food miles controversy)
- Product and market development
- Training/ developing national capacity on implementing relevant standards (trainers, consultants, auditors)
- Development of national conformity assessment providers
- Assessing trade and emission/energy saving impacts, monitoring nation wide emissions/ targets e.g. for incentive schemes?
- Financial support, linkage with CDM, GEF etc.



Some examples of related UNIDO ongoing technical assistance activities:

- Energy Management and ISO 50001
- Biofuels / rural renewable energy
- Clean production
- Phasing out of ozone depleting substances and GHG in industry
- SMTQ infrastructure
- Private Standards



Energy Efficiency – Management System 50001

- UNIDO initiated a dialogue on the development of an international energy management system standard at an expert group meeting on “Industrial System Optimization & Energy Management Standards in Industry” in March 2007.
- In view of the strong international interest in this subject area and its potential impact on industrial energy efficiency worldwide, in July 2007 UNIDO launched a new initiative to support the development of an international ISO energy management standard.
- In February 2008, the Technical Management Board of ISO approved the establishment of a new project committee (PC 242 – Energy Management) appointed to develop the new ISO Management System Standard for Energy ISO 50001.



ISO 50001- continued

- As of December 2008 UNIDO workshops and awareness raising initiatives had reached more than 30 developing countries and emerging economies and many of those are now members of ISO PC 242.
- UNIDO's 48 million USD Industrial Energy efficiency Programme aimed at strengthening policy making and technical capacities of developing countries and emerging economies to improve energy efficiency in industry.
- The next phase of UNIDO research/global forum work on EnMS-ISO 50001 will focus increasingly on further development of verification and auditing capacity.



Trade Capacity Building

- SMTQ infrastructure: assistance towards building and upgrading
- Private Standards: Norad funded research project to cover sectors including textile/ apparel; leather/ footwear and furniture – climate change related private standards also covered
- Enterprise Upgrading: to increase the competitiveness of industrial enterprises in terms of price, quality and innovation, as well as to enable them to follow and assimilate developments in technologies and markets, UNIDO often targets a group of enterprises, and upgrades their services which can be replicated by other enterprises in the area.
- Cooperation with Consumer Goods Forum (CIES) - GFSI



Opportunities

- Clear measurement methodology that could be applied for any organization could help to identify very cost effective ways of cutting not only GHG emissions but could help the bottom-line, marketability, competitiveness.
- Many financial rescue programmes have green incentives attached to them, which could be utilized to finance clean production.
- Benefiting from CDM and GEF projects- most developing countries have not managed to tap into the CDM mechanism. Climate change related standards implementation can improve their participation, if technical assistance is provided. Support to the establishment of national energy efficiency standards for appliances, buildings and more recently industry (with energy management standards led by UNIDO) are established types of projects being funded by the Global Environment Facility.



Challenges

- For most of the above standards and especially labelling schemes, there is still a lack of clear harmonized conformity assessment procedures.
- Therefore implementation is happening before the methodology, verification, monitoring modalities are agreed upon.
- Responding to the challenges requires multiple capacities to be built in developing countries, political will on all sides, financial support and a coherent approach not to replicate the experience in private food safety standards.
- Rigorous impact assessment methodologies should be developed and promoted for these standards and labels, not only in terms of their impact on market access for the less developed countries but also in terms of their effectiveness to deliver on the environmental objectives they claim.



Challenges (continued...)

- Emission trading schemes have raised the bar for energy monitoring and verification beyond what was and would be needed for many existing energy efficiency policies. Tight and detailed energy monitoring and verification schemes are in general costly for policy-makers and also for industry.
- The carbon finance market is looking at standards for:
 - Contracts
 - CDM methodologies
 - Border adjustments
 - Methodologies for sectoral targets and marginal abatement costs



Conclusions

The conclusion is that we have to be aware that while the carbon market can represent an opportunity for supporting development of climate change related standards, there is also a potential/actual trade-off between the carbon market requirements and what would be really needed at the policy level and what would make economic sense, be feasible and be attractive at the enterprise level. Thinking of developing countries the challenges may outweigh the opportunities.



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Thank you!

For questions and comments:
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