Arab Group MWP Global Dialogue Submission
August 2026

The Arab Group is pleased to share its views on suggested subtopics to be discussed at the 8th global dialogue in September of 2026 under the Sharm el-Sheikh mitigation ambition and implementation work programme (MWP).

Background:

As per decision 4/CMA4, the MWP should encompass broad thematic areas critical for enabling meaningful exchange on mitigation implementation. This includes consideration of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, as well as relevant thematic areas from the IPCC AR6 Working Group III report, and relevant enabling conditions, technologies, just transitions, and cross-cutting issues.

The co-chairs announced that the eighth global dialogue to focus on enabling mitigation ambition and implementation in industries, drawing on national and regional experience – Part 2 and other cross cutting issues as mandated in decision 4/CMA.4, paragraph 4.

Approach to the Dialogue

The Arab Group envisions the Mitigation Work Programme (MWP) global dialogues to continue to adhere to their mandate under decision 4/CMA.4: facilitative, non-prescriptive, and respectful of national sovereignty and national circumstances, while reflecting the nationally determined nature of contributions under the Paris Agreement. In this context, the global dialogues should serve as a platform for sharing opportunities, best practices, a wide set of solutions, challenges, and barriers relevant to the topics under discussion, ensuring that exchanges remain grounded in practical and inclusive implementation experiences without introducing new targets, policy prescriptions, or mandates that could infringe on Parties' nationally determined pathways.

Proposed Subtopics

1. **Carbon capture, utilization and storage (CCUS) for industrial emissions**

CCUS represents an important mitigation option for reducing emissions from large industrial point sources. The industrial sector accounts for a significant share of global greenhouse gas emissions, with a substantial portion originating from process-related emissions in sectors such as cement, steel, and refining. These emissions arise from inherent production processes and high-temperature operations, meaning they cannot be fully addressed through efficiency improvements, electrification, or fuel switching alone. Point-source capture technologies enable the separation of CO_2 from concentrated emission streams at industrial facilities, allowing these emissions to be transported for utilization or permanent geological storage rather than released into the atmosphere.

Large industrial facilities represent a major share of emissions and are particularly suitable for capture technologies due to the concentration and scale of their CO_2 streams. Capturing emissions directly at the source can achieve high capture efficiencies and can be integrated with shared CO_2 transport and storage infrastructure, including pipelines and regional storage hubs[1]. Such approaches can reduce overall costs and facilitate the development of industrial clusters where multiple facilities share transport and storage systems.[2] [3]

[1] U.S. Department of Energy, *Carbon Dioxide Capture for Natural Gas and Industrial Applications* (2015)
[2] [1] IEA (2021), About CCUS, IEA, Paris https://www.iea.org/reports/about-ccus, Licence: CC BY 4.0
[3] McLaughlin, H. et al., "Carbon capture utilization and storage in review," *Renewable and Sustainable Energy Reviews*178 (2023): 113193

The scientific literature and global mitigation assessments highlight CCUS as a key option for addressing emissions from hard-to-abate industrial activities. Many mitigation pathways consistent with the objectives of the Paris Agreement include CCUS as part of a portfolio of technologies aimed at managing emissions from existing industrial systems while supporting continued economic development, with point-source capture offering a practical pathway where alternatives remain technically or economically constrained.

2. **Climate-related Unilateral Trade Measures**

Climate-related unilateral trade measures directly and adversely affect industrial activity, trade performance, and development prospects in developing countries. Unilateral trade measures such as carbon border adjustment mechanisms are concentrated in foundational sectors which impact construction, manufacturing, and infrastructure development in developing economies. Article 3.5 of the Convention provides that measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

Compliance obligations and emissions accounting rules established in one jurisdiction and applied to producers in others constrain the choice of national mitigation pathways and displace determinations the Paris Agreement reserves to Parties themselves. Charges levied on imports accrue to the treasuries of importing countries, transferring resources away from economies requiring investment for industrial mitigation, while revenues are rarely returned as technology transfer or support to the affected sectors. A discussion of this sub-topic would allow Parties to consider how such measures interact with equity and common but differentiated responsibilities and respective capabilities.

3. **Avoiding Adverse Socio-economic Impacts**

Mitigation policies adopted in one country produce economic effects in others. Changes in the cost of basic goods such as meat, poultry, fertilizers, steel, cement, aluminum and chemicals transmit through trade and investment flows to industrial capacity, employment and public revenue, well beyond the sector a measure targets. Some Parties absorb far more of this than others. Developing countries whose industrial base rests on a small number of emission-intensive sectors carry the heaviest burden and have the least fiscal room to absorb it.

The social consequences follow the economic ones. Higher input and food costs reach household budgets and food security in net-importing economies. Job losses concentrate in regions and workforces built around a single industry, where workers hold sector-specific skills and few local alternatives. Revenue lost from affected sectors is revenue that funded health, education, energy access and social protection, so the effects reach people who never worked in the sector.

Article 4.8 of the Convention requires Parties to give full consideration to the actions needed to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, including, under subparagraph (h), countries whose economies depend on the production, processing and export of fossil fuels and associated energy-intensive products. Article 4.10 of the Convention and Article 4.15 of the Paris Agreement set out the same expectation. Parties designing measures with effects beyond their own borders therefore have agreed guidance to work from. Applying it takes nothing from mitigation ambition: both the Convention and its Paris Agreement place mitigation in the context of sustainable development and the eradication of poverty, and identifying adverse impacts at the design stage keeps mitigation and development advancing together. The dialogue should address how Parties have identified, assessed and addressed the cross-border economic and social impacts of industrial mitigation measures in designing them.

4. **Retrofitting Industrial Assets**

Retrofitting existing industrial assets represents an important implementation pathway for reducing emissions from infrastructure that is already in operation. Industrial facilities are long-lived by design, and the plants running today will continue to operate for decades, which creates a substantial body of committed emissions that new construction alone cannot address. Energy efficiency, achieved largely through the maintenance, refurbishment, and replacement of obsolete equipment and process lines, are good options among industrial mitigation measures. Improving the performance of assets already in service therefore offers a practical means of capturing near-term reductions while these facilities remain productive.

For many facilities, retrofitting represents the most readily available and cost-effective route to lower emissions, spanning a range of interventions from efficiency upgrades and waste heat recovery to the integration of capture technologies. Their effectiveness varies according to the age, design, and location of each facility, and this variation is precisely what makes shared experience valuable, since outcomes observed in one sector or region can inform implementation in others. A discussion of this sub-topic would allow Parties to draw on real deployment experience to examine how emissions performance has been improved, what barriers have been encountered, and what lessons have emerged across different sectors and regions.

5. Waste Heat Recovery

Industrial processes shed enormous amounts of thermal energy into the environment instead of putting it to use. This wasted heat is one of the most persistent sources of inefficiency in industry, which can be addressed by waste heat recovery. Across manufacturing, a large portion of energy input escapes as hot exhaust gases, effluents, and radiated heat at a range of temperatures.[4] Channeling that heat back into productive service, for preheating, power generation, or supply to nearby processes, is an effective lever available for bringing down energy intensity and emissions.

Waste heat recovery is especially relevant in the energy-intensive sectors that underpin industrial development, i.e. iron and steel, chemicals, cement, glass, and pulp and paper.[5] Recovering and reusing this heat lowers primary energy demand and the associated emissions while preserving, and indeed strengthening, the competitiveness of these industries. The path is not free of obstacles. Low-temperature streams are prone to fouling and corrosion, and high-temperature recovery calls for costly, heat-resistant materials.[6]

A discussion on this sub-topic can build on real deployment to assess how recovery systems perform in practice, what their rollout has revealed, and where the remaining openings for efficiency lie alongside continued, competitive production.

6. Equity and Sustainable Development

Industrial mitigation unfolds in very different development contexts, with direct implications for equity within and between countries. For many developing countries, industrial growth remains essential for employment, poverty reduction, and broader development goals, and mitigation takes place alongside pressing priorities such as economic growth, energy access, food security, and infrastructure development. These objectives compete for limited financial and institutional resources, a constraint compounded where commitments on the provision of climate finance and other means of implementation, including under Article 9.1 of the Paris Agreement, remain unfulfilled. Industrial

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[4] Bianchi, G. et al., "Estimating the waste heat recovery in the European Union Industry," Energy, Ecology and Environment 4 (2019): 211–221

[5] B. K. Saha, B. Chakraborty, and R. Dutta, "Estimation of waste heat and its recovery potential from energy-intensive industries," Clean Technologies and Environmental Policy 22, no. 9 (2020): 1795–1814.

[6] P. Christodoulides, L. Aresti, G. P. Panayiotou, S. Tassou, and G. A. Florides, "Adoption of Waste Heat Recovery Technologies: Reviewing the Relevant Barriers and Recommendations on How to Overcome Them," *Operations Research Forum* 3, no. 1 (2022): article 3, https://doi.org/10.1007/s43069-021-00108-6.

mitigation options requiring significant upfront investment and long investment cycles are particularly affected, as resources committed to them are resources withheld from other national priorities. Ensuring equitable access to technologies, finance, and development opportunities is therefore central to aligning industrial mitigation with national priorities.

Precisely because development contexts differ, there is no single industrial mitigation pathway. Countries with comparable industrial structures and stages of development face similar choices on how to sequence, finance, and build capacity for mitigation measures, yet experience with these choices is rarely shared across regions. A dedicated discussion would allow Parties to identify which approaches are transferable and to clarify the forms of support that would enable industrial mitigation consistent with national priorities.