# Sectoral Approaches THE BIG PICTURE

Presentation by Murray Ward at

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## Architecture of "the global deal"

#### that manage emissions and set the basis for a **GLOBAL CARBON MARKET** Legend: Unconstrained **FBTs in ICs** OR Fixed and Binding Targets IBFCs IBFCs in Industrialised Countries **IBFCs FBTs in ICs** International Bunker SNLTs Fuel commitments for DCs **SNLTs in DCs** REDD **REDD** some Sector No-Lose Targets OR? in some **D**eveloping **C**ountries - example sectors: Enhanced CDM- Electricity Generation type mechanism Electricity Transmission & Distribution acts in balance of Emissions intensive commodities: 'unconstrained' (cement, iron and steel, aluminium) space • Oil and gas production (gas flaring) Other? REDD Reducing Emissions from Deforestation and forest **D**egradation

**QUANTITATIVE ELEMENTS** 

#### **'THE BIGGER PICTURE' ELEMENTS**

#### **EXAMPLES OF POSSIBLE ELEMENTS**

1) Sectoral 'policy' agreements, e.g.

- IBFCs (if not under main quantitative 'deal')
- Electricity sector (e.g. % renewables, % CCS-ready coal power plants, etc)
- Vehicles sector (e.g. vehicle emissions intensity standards)
- Performance agreements in key emissions intensive commodity sectors
- Commitment to SD-PAMS in DCs (with technology and financial support from ICs)
- Sustainable Forestry measures , e.g. REDD, with financial support from ICs (if not under main quantitative 'deal')
- Technology R&D cooperation agreements
- Cooperative technology diffusion agreements
- Measures to facilitate adaptation planning and implementation, especially for the most vulnerable populations and ecosystems
- Financial mechanisms to provide support for adaptation, capacity building and technology deployment
- 4) Enabling environments
  - Creating conditions that attract investment
  - Advancing 'helpful' measures in bilateral and multilateral trade agreements

Source: "Architecture of a Global Climate Change Agreement" ( A Briefing Paper of the Breaking the Climate Deadlock initiative)

### QUANTITATIVE ELEMENTS that manage emissions and set the basis for a GLOBAL CARBON MARKET



#### REDD

Reducing Emissions from Deforestation and forest Degradation

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## **Sector No-Lose Targets**

### **GHG Intensity**



## **Sectoral policy linkages**



**Remainder of** 'space' managed by CDM, SDPAMs (and domestic policies in DCs) and perhaps some 'side agreements' in key sectors (e.g. % renewables. vehicle emission standards, power plant technology standards, cooperative joint ventures, etc)

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## **Overlapping Sector Agreements**



## **Some Key Issues**

1. Quantitative elements expected to be part of the agreement struck under the UNFCCC process

But some of the 'bigger picture' elements likely to occur outside the UNFCCC package, including to complement similar type elements inside

elements agreed bilaterally between key countries or among groups of countries, or even among key industries operating in some countries

elements agreed in other multilateral fora

Question? How does this overall inside/outside package come together? Role of sector players?

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