THE °CLIMATE GROUP

Beyond National

STATES AND REGIONS Alliance for a global deal

Low carbon development Workshop
Zaragosa, Aragon
October 20\textsuperscript{nd}, 2009
- Focus on promoting leadership on climate & influencing change
  - Develop & disseminate best practice
  - Positive approach – low carbon prosperity
  - Network & incubator for new initiatives: Together.com, Voluntary Carbon Standard, Breaking the Climate Deadlock

- Membership drawn from Fortune 100, States, Cities
STRATEGIC FOCUS (2009-2012)

Global Deal:
> Objective to mobilise policymakers & businesses from the EU, US, China and India to support a successful global deal on climate change, its ratification and implementation into national (and EU) and subnational legislation.

Global Demonstration:
> Objective to accelerate the implementation of selected technologies / technology clusters, supporting activities ranging from piloting to financing and policy support., working with corporates, national and subnational governments.

Delivering current commitments:
> The Climate Group will continue to deliver current commitments on the Together campaign, States and Regions Alliance and the Climate Principles for the finance sector.
TCG’s CORPORATE MEMBERS AND PARTNERS

FINANCE
Barclays ()
ABN AMRO (NL)
Allianz Group (DE)
Baker & McKenzie ()
Cheyne Capital (US)
HSBC Holdings ()
JP Morgan (US)
Man Group ()
Munich Re Group (DE)
Standard Chartered (UK)
Swiss Re (CH)

CONSUMER PRODUCTS
Interface (US)
Johnson & Johnson (US)
Timberland (US)
Nike (US)
IWC (CH)

RETAIL
M&S ()
Tesco ()
Starbucks (US)
Target (US)

POWER
Austin Energy (US)
BP ()
Florida Power & Light (US)
Duke Energy (US)
Severn ()

BUILT ENVIRONMENT
Arup (UK)
Broad (China)
HDR (US)
MWH (US)
Swire Properties (HK)
Vanke (China)

HEAVY INDUSTRY
Alcan Inc ()
Catalyst (US)
Dow (US)
Pratt Industries (US)

AVIATION
Cathay Pacific (HK)
Virgin ()

CORPORATE PARTNERS:
ANZ Banking Group
AXA
Ben & Jerry’s
Dresdner Bank AG
Goldman Sachs
HBOS, Insight Investment
Honda
IBM
Ikea
Insight
Kingfisher
Mizuho Corporate Bank
Munich Re
O2
Rabobank, Netherlands
RBC Financial Group
Royal Bank of Canada
SAB Miller
UBS
Unilever
Vodafone
Wells Fargo & Company

First Chinese members
China Mobile, Broad and Suntech

ICT
BT ()
Dell (US)
Hewlett Packard (US)
Lenovo (China/US)
Google (US)

MEDIA
BSkyB ()
NewsCorp (US)
Bloomberg (US)
### The Scale of the Challenge 1

- **Potential Pathway to Stabilise Greenhouse Gases**

- **Developing**
- **World**
- **Developed**

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- **Global emissions peaking by 2020**
- **A 25-40% cut for developed countries by 2020**
- **A 50% global cut by 2050**

*Developing = UNFCCC Non Annex 1  **Developed = UNFCCC Annex 1*
Pathways for Global Emissions that would yield at least a 50% chance of avoiding 2°C

- Less time for businesses and consumers to adjust
- Increased annual rate of emission reductions
The Scale of the Challenge 3

To get on to a 450ppm pathway, the world needs to deliver abatements of 17 Gt CO$_2$e relative to BAU by 2020.

- 1990: 29% change relative to 1990
- 2000: 20% change relative to 1990
- 2020: -2% change relative to 1990
- 2030: -49% change relative to 1990

BAU**

450ppm with overshoot (peak at 510ppm)

Assumes annual GDP growth of 2.9% (2.1% for developed world and 5.5% for developing world); population growth of 0.8% (0.2% for developed world and 1.1% for developing world); $60/barrel oil price; already includes decarbonisation assumed to happen under the usual course of the world economy.

Source: McKinsey Global GHG Abatement Cost Curve v2.0; van Vuuren; den Elzen; Meinshausen; IEA 2007; team analysis.
To reach 17 Gt, the developed world needs to deliver its full technical potential of 5 Gt domestically, the developing world 12 Gt.

- 2020 Emissions, Gt CO₂:
  - Required abatement for 450 ppm pathway: 17
  - Developed world technical potential: 5
  - Developing world reduction to get to 450 ppm pathway: 12

90% of developing world technical potential of 14 Gt up to $27/t.

* High cost lever could increase potential by 20-25%; Cost curve identifies 5 Gt of measures between $60-100 and 4 Gt of behaviour change in addition to 2030 technical potential of 36 Gt.

** The developed world could potentially further reduce CO₂ emissions by ~1 Gt from technical potential of $60-100/t, and behavioural change.

Source: McKinsey Global GHG Abatement Cost Curve v2.0, team analysis.
CORE ELEMENTS OF A GLOBAL DEAL
Core elements of a Global Deal

Four criteria:

- **Environmental effectiveness**: Agreement must be seen to place world on pathway to a 2C future delivering climate security for all. Deal will not be agreed in detail, but direction of travel must be clear: businesses, governments & public must see that new world is coming;

- **Economic effectiveness**: Agreement must build conditions for high prosperity low carbon economic growth;

- **Fairness**: recognition of imperative of a shared and equitable future for rich and poor everywhere. Agreement must be seen as fair by all countries;

- **Trust**: delivering agreement will require high levels of trust between countries; managing the success and failures of implementing the agreement beyond Copenhagen will require even more.
Core elements of a Global Deal 2

Industrialised countries

- All – including rich developing countries e.g. Korea, UAE - adopt national binding caps that collectively reduce emissions by 25-40% below 1990 levels by 2020;
- US takes on comparable level of effort but, due to late start, 2020 target is lower, compensated by providing additional financial support for developing countries and deeper targets in 2030/2050;
- EU commits to 30% by 2020 if others follow
Core elements of a Global Deal 4

Developing countries

- Significant incentives for developing countries to move beyond BAU (peaking no later than 2020); undertake no-regrets actions alone;
- Countries to submit low carbon development plans (with unilateral domestic action & further commitments with international financial support);
- Clear signal that major emerging economies, esp. China, will have binding caps by 2020, if developed countries meet their full obligations;

(EU urges for 15-30% below business as usual levels by 2020)
Core elements of a Global Deal 6

Financing

• In addition to expanded carbon market, financing needed for new adaptation, REDD and technology funds. Mainly private sector but public funding necessary:

• Access to finance conditional on dev’g countries implementing significant “no regrets” actions in low carbon development plans, including potentially removing unjustified subsidies, trade barriers and restrictive regulations;

• EU-commission communication:
  (estimated annual costs 100billion euro/ public 22-50b/ EU 2-15b)
The Climate Group launched the states and regions climate alliance based on the commitments made by sub national governments in the Montreal Declaration in 2005.

The alliance focuses on practical solutions to climate change, in particular sharing best practice on effective policy implementation.

The Climate Group works to strengthen the alliance and drive the process forward through meetings, briefings and publications, such as “Low Carbon Leader: States and Regions”
STATES AND REGIONS

Signatories of the **Montreal Declaration**

California  
British Columbia  
New South Wales  
Manitoba  
Massachusetts  
New York State  
Victoria (Australia)  
Quebec  
South Australia  
Connecticut  
Ontario  
Maine  
Brittany  
Fatick  
Wielkopolska  

Western Cape  
Bavaria  
North-Rhine Westphalia  
Scotland  
Catalonia  
Upper-Austria  
Sao Paulo  
Wallonia  
Flanders  
Jamtland  
Carinthia  
Wales  
Basque country  
Aragon  
South Holland  
Ile de France
Goals of the work program

- Create practical and direct opportunities to showcase R&S-actions to the international community
- exchange best practices amongst themselves,
- gain better access to low carbon technologies,
- overcome obstacles in the implementation of climate actions,
- develop new partnerships with the business community and
- foster stronger partnerships with national and municipal governments.
Current other initiatives on interregional cooperation

- NRG4SD
  - Working on many SD-issues including climate change
- ENCORE
  - Environmental conference of the regions in Europe
- CPMR
- OLAGI
- Northern Forum
- FOGAR
- AER
- ....
Opportunities

• Direct region to region sharing of best practices
• Implementation and planning level
• Interlocutor between local and national governments
• Climate policy plans as framework for investments
• Integration in Poverty reduction strategies

Challenges

• Governance Capacity for receiving support for climate change policies
• Human resources to deliver best practice sharing
• Empowerment
Examples of regional government action

- Scotland’s recent Climate Bill includes a legally binding commitment on all future Scottish governments to deliver at least 80% cuts in emissions by 2050 and a goal of 50% total renewable energy generation by 2020.

- Catalonia is implementing cleaner transportation policies and tax incentives to promote cleaner, less polluting vehicles.

- North Rhine Westphalia is undertaking an initiative aiming to achieve a 20% reduction in overall primary energy consumption across the economy by 2020 compared to 2006.

- Bavaria has set the goal of doubling its primary energy consumption from renewables – from 8% to 16% - by 2020.
Sao Paulo initiative on Global Renewable Energies:

- Parliament voted a 20% GHG-reduction target by 2020 (2005)

- Sao Paulo drafted the 2002 WSSD proposal for a 10% global target on renewables which has created the momentum for the Johannesburg Renewable Energy Coalition (JREC) and the following International Conference on renewable energy (Bonn, Beijing and Washington).
Western Cape

- The Department has embarked on a roll out of 1000 solar water geysers in the Western Cape. The objective with this programme is to deal with 3 challenges facing the Western Cape, i.e. Poverty, Energy Efficiency and Climate Change mitigation.
Towards carbon neutral and resilient climate change territories
An integrated territorial approach to face climate change

Towards carbon neutral and climate change resilient territories

Phase 1: Awareness raising and training
- Mitigation/adaptation
- UNFCCC, Kyoto, RDH
- Best practices
- Technical solutions
- Financial instruments and public policy

Identification of regions to prepare ITCPs

Phase 2: analysis, assessment and action plan
- Carbon assessment (mitigation)
- Vulnerability assessment and mapping (adaptation)
- Integrated Climate Plan
- Definition of adequate regulatory and financial instruments

From action plan to project implementation

Phase 3: Projects
- Identification
- Set up
- Certification
- Financing
- PPPs
- Management

Towards carbon neutral and climate change resilient territories
Regions agreed to UNDP program including allocated funds

• A. Already signed
• Brittany (F), Poitou Charente (F), Rhône-Alpes (F) and Catalonia (S), Limousin (F), Geneva (CH), Toscana (I), Basque Government (S), Manitoba (C) and Province of Quebec (C),

• B. Have or are in procedure to allocate funds
• Brittany (F), Poitou Charente (F), Rhône-Alpes (F) and Catalonia (S), Limousin (F), Geneva (CH), Toscana (I), Basque Government (S)

• c. Considering signing
• Flanders (B), Wallonia (B) California (USA), Zuid Holland (N),
UNFCCC recognition of the Subnational level of government
• “The Subnational level of government “

• largest and first level of political/governmental sub-division within an individual UN-member State

• above the municipal level.
Background

- Climate leaders summit, Montreal Declaration 2005
- Saint Malo Summit and Declaration of the Network of Regional Governments for Sustainable Development (nrg4SD)
- Governor’s International Climate change Summit, California
- 2nd Climate leaders summit, Poznan Statement of Action (The Climate Group)
- GA of nrg4SD in Quintana Roo
- NY climate week
Example of amendment

- **Clause 199**
  - 199. International cooperation {shall}{should} be enhanced to support developing country Parties to implement capacity-building actions, including:
    - (a) Creation of enabling environments at **national, subnational and local levels of government** for enhanced action on adaptation and mitigation, including the establishment of appropriate policy and legal and regulatory frameworks;
  - **NEW CLAUSE (g)** Recognizing the important roles of state and regional governments by supporting and encouraging subnational partnerships to promote information sharing and best practices;
Some synergies between local and regional governments

- Local and sub national governments are key players in the implementation of any agreement
- Both will have to produce practical solutions which will directly affect society
- Sub national governments share common goals but differentiated responsibilities with local authorities
- We (local and sub national governments) should be taken into account for the next negotiation round
- We are bound to work together for this recognition and for the implementation of the Copenhagen agreement
- But representation roles should be well agreed and defined
Road to Copenhagen

- Climate week NYC Subnational delegation at UN (21st September)
  - Subnational Statement for recognition
- Taller Sao Paulo (22-24 September)
  - Latin American regions preparation for COP15
- Governor’s Summit California (1,2 October)
- Brussels meeting Nrg4SD with other networks (13 October)
- Zaragosa Low carbon technology event (19-20 October)
- Barcelona Government Business UNFCCC-event (2-3 November)
- Queensland summit Australia (November 10th)
- EU-members meeting The Climate Group (24th November)
- General Assembly of the European regions (26-27 November)

- Climate leaders Summit Copenhagen December 15th
Climate leaders Summit Copenhagen
15/12/2009

- Premier Mike Rann, Premier of South Australia and Chair of the States and Regions Alliance
- Premier Jean Charest (Quebec), Co-Chair of the NRG4SD
- President Jean-Yves Le Drian (Brittany), Co-Chair of the NRG4SD
- President Claudio Martini (Tuscany)
- President Ségolène Royal (Region of Poitou Charentes)
- President Jean-Paul Huchon (Ile-de-France)
- Minister Mark Söder (Bavaria)
- Minister Thoben (NRW)
- Minister Jane Davidson (Wales),

- The United Nations Development Program
- The State of California
- The Network of Regional Governments for Sustainable Development (NRG4SD)
Climate leaders Summit Copenhagen
15/12/2009

• 9.30-11.30 Closed session for Premiers/Governors/ Ministers
• 9.30-12.00 Concurrent Sessions focusing on major technology developments
• 11.30-12.00 Press conference – Leaders reporting back on their closed session
• 12.00-1.00 VIP lunch for Premiers, Ministers, CEOs and other key stakeholders.

• 1.00 High level summit.
• Focus on action. Includes presentations by Premiers/ Governors/ First Ministers
• Panel sessions will feature ‘smart’ low carbon technologies and partnerships with developing countries.
• Event concludes with short statements by Premiers/Ministers/CEOs and others announcing their commitments.
• 5.00-6.30 Cocktail event – Awards Ceremony tbc