

DOWN TO EARTH: Territorial Approach to Climate Change

Low Carbon and Climate Resilient Strategies at the Sub-National Level

*Low Carbon and Climate
Resilient Strategies at the
Sub-National Level*

DOWN TO EARTH: Territorial Approach to Climate Change



DONOR PROPOSAL 2010/11



IN PARTNERSHIP WITH UNEP
& 8 ASSOCIATIONS OF REGIONS

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The UNDP “*Down to Earth: Territorial Approach to Climate Change*” is part of the United Nations-Sub-national governments’ partnership for the establishment of low-carbon and climate resilient strategies at the sub-national. This partnership is collaborative effort between the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and all members of the eight partnering associations of regions¹.

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ACRONYMS & ABBREVIATIONS

ADEME	French Agency for Environment and Energy Management
AER	Assembly of European Regions
AIRF	International Association of Francophone Regions
ART	Articulation Framework and Network
BDP	Bureau for Development Policy
CCIPF	Climate Change Investment Policy Framework
CDM	Clean Development Mechanism
COP	Conference of the Parties
CPMR	Conference of Peripheral Maritime Regions
EC DGDEV	European Commission Directorate General for Development
EEG	Environment and Energy Group
FOGAR	Forum of Global Associations of Regions
GCF	Global Cooperation Framework
GEF	Global Environment Facility
GEO4	Global Environment Outlook 4
HDR	Human Development Report
IPCC	Intergovernmental Panel on Climate Change
ICCP	Integrating Climate Change Risks into Development Programming and Planning
ICCWBO	International Chamber of Commerce-The World Business Organisation
ITCP	Integrated Territorial Climate Plan
MDG	Millennium Development Goal
NF	Northern Forum
Nrg4sd	Network of Regional Governments for Sustainable Development
OLAGI	Organización Latinoamericana de Gobiernos Intermedios
UN-REDD	United Nations Reducing Emissions from Deforestation and Forest Degradation
TACC	Territorial Approach to Climate Change
TNA	Technology Needs Assessment
UNCT	United Nations Country Team
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-HABITAT	United Nations Human Settlements Programme
UNITAR	United Nations Institute for Training and Research
UNOPS	United Nations Office for Project Services
WBCSD	World Business Council for Sustainable Development
WEC	World Energy Council

CONTEXT

Scaling up the efforts to overcome COP 15 uncertainties

Besides its positive elements -such as the recognition of the 2°C maximum global mean temperature threshold, pledged funds and the outlines of a new institutional structure -, the 15th Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) left a number of key issues unresolved.

And yet there is no time to lose as **the window of opportunity is shrinking**. Each day lost increases the costs of stabilizing greenhouse gas emission levels to avoid catastrophic climate change and diminishes the adaptive capacities of the most vulnerable societies. If actions are delayed by approximately 8 to 10 years, then the future declines required to realize the target reduction – overall volume reductions of 50% or even 80% globally by 2050 – will have to be greater than 3%, a reduction rate widely regarded as incompatible with current technological means.

Reaching these ambitious but unavoidable goals will not be easy. **A dramatic scale up of existing efforts is necessary** in order to transfer the technological and financial resources capable of successfully addressing climate challenge, particularly in least developed countries.

Planning & financing the transition towards low-carbon societies

To date, most practices on climate change have focused on either incrementally reducing emissions or reducing vulnerability through isolated projects. These are important first steps, however in the long term, ambitious mitigation and adaptation efforts will **require a more systematic approach which integrates climate change into a profound rethinking of development processes**. Developing countries need to develop new planning tools to establish development strategies robust enough to withstand different future climate conditions and to leverage the required resources through the creation of an enabling environment for public and private investments.

The financial resources involved in a shift to a low-carbon economy are daunting but not impossible to achieve. The key challenge of financing the transition towards a low carbon society is to redirect existing and planned capital flows from traditional high-carbon to low-carbon investments.

Over the past few years, the international community has developed a vast array of public policies, public finance mechanisms and market-based instruments to shift the investments to climate-friendly alternatives. Unfortunately, only a limited number of developing countries are benefitting from these opportunities as their existing markets often fail to attract investments in low carbon and sustainable land use projects.

There is a need to enhance the capacity of governments to formulate, finance and implement low carbon and climate resilient strategies, in a manner that catalyses an array of financing sources and delivers long term results.

Developing the capacity of low income countries to create conditions that reduce the perceived investments risks and access new sources of environmental finance to increase the return of projects is a key priority to scale up efforts to address climate change in an efficient and fair manner.

A growing consensus on the necessity to involve new actors

Limiting global temperature rise is an immense and urgent challenge that will require moreover an unprecedented level of collaboration among all decision-makers around the world. There is indeed growing consensus about the necessity to involve new actors in tackling the climate challenge including sub-national governments, the private sector and civil society since they all have a key role to play in rising to this common challenge.

To shift to a low carbon economy, new types of policies, partnerships and instruments are needed. This new multilateralism is underpinned by the fact that **sub-national governments all around the globe are already taking action**. They demonstrated how they had already started to reduce significantly their GHG emissions and increase the share of renewable energy in their energy portfolios. Sub-national governments are laboratories for the innovation and development of low carbon technology and policies.

As world leaders look for solutions after Copenhagen, UNDP believes that this bottom-up model could complement national policies.

During COP 15, Helen Clark, UNDP Administrator, addressed key note remarks on behalf of the UN for some 200 local authority leaders and private sector representatives during the [Opening ceremony of The Climate Leaders Summit](#). Indeed, thanks to the ongoing efforts undertaken by networks such as The Climate Group and nrg4SD, the international community recognizes the role of sub-national leaders in achieving the common climate goals. In Copenhagen, several leading regions² transcended the old divisions that have characterized the climate debate for so many years and announced the concept of R20, which will be launched on the occasion of the 3rd Governors' Global Climate Summit (Los Angeles, September 2010) to demonstrate the capacity of sub-national governments to implement low-carbon and climate resilient projects by mobilizing technology and private sector finance.

“While central governments set policy directions much of the innovative thinking and action will come from the sub-national level.” Yvo de Boer, UNFCCC Executive Secretary, during the 2nd Governors' Global Climate Summit in Los Angeles in 2009

Why are sub-national governments at the frontline?

Sub-national governments - cities, states, and regions - will end up implementing most of the low carbon technologies and policies necessary to curb global warming. They are key actors in addressing climate change for a number of reasons:

- They represent a link sufficiently close to the people where projects will be implemented and sufficiently elevated to integrate projects into public policies and planning processes to ensure wider development impacts on their territories.
- 50-80% of GHG emissions are influenced by local behavior and investment choices while adaptation to climate change is very site dependent.
- Sub-nationals have shown leadership.
- Sub-nationals can be a solution to tackling climate change when national level climate action stalls. Some developing countries prefer to steer assistance for climate change to their sub-national authorities.

California's stringent tailpipe standards were first rejected by the federal government then the state received a waiver. Most recently, the administration announced that federal standards will mimic the Californian standards.

² State of California (USA), Province of Quebec (Canada), Delta State (Nigeria), Region of Ile de France (France), Region of Oriental (Morocco), with the support of the Algerian Government.

STRATEGY: A United Nations-Sub-national governments' partnership towards the establishment of a comprehensive strategy

In October 2008, **UNDP, UNEP and eight key networks of sub-national governments³** involving over 1000 regions formed a partnership to support sub-national action against climate change.

This partnership aims at supporting sub-national governments to identify and develop projects which can meet local needs, while building both climate resilience and the infrastructure needed for low-carbon growth. To achieve so, it promotes robust collaborative actions amongst regions in industrial and developing countries, with international organizations, UN agencies, and the private sector to foster knowledge transfer and direct investment to fight against climate change.

To address the barriers which constrain sub-national action towards low-carbon development, the partners develop a **three-fold strategy**:

➤ **Awareness-raising** on climate action for sub-national entities, under the lead of **UNEP in collaboration with the Associations of Regions**. The objective is to:

- Organize regional level workshops on five continents to enhance sub-national stakeholders' awareness on the climate challenges at stake, on the current climate regime and its international framework, the financing opportunities, etc.
- Outreach sub-national governments worldwide and encourage them to take action
- Encourage knowledge-sharing among sub-national entities
- Set up a web-based platform portal.

Awareness-raising for sub-national entities under the lead of UNEP

➤ **Low Carbon and Climate Resilient Strategies at the sub-national level** under the lead of **UNDP, with the Associations of Regions**. The **UNDP project "Down to Earth: Territorial Approach to Climate Change"** aims at enhancing the sub-national capacities to:

- Identify risk and opportunities related to climate change;
- Integrate climate change into development planning by assessing development options which are robust enough to withstand different future climate conditions;
- Contribute to the implementation efforts of national governments;
- Generate a pipeline of investment-ready and creditworthy projects
- Identify, sequence and combine financial mechanisms to fund these projects
- Help project proponents to access new sources of environmental finance.

Low Carbon and Climate Resilient Strategies under the lead of UNDP

➤ **A Green Investment Bank**, which foundations will be laid out by the **R20 in partnership with the UN**:

- Mobilize additional concessional and innovative finance with carbon municipal bonds, equity funds, etc
- Facilitate the development of market-based financing mechanisms
- Leverage private & public expertise
- Support deployment of new technologies from industries.

A Green Investment Bank under the lead of R20

³ Global Forum for Associations of Regions (FOGAR), International Association of Francophone Regions (AIRF), Assembly of European Regions (AER), The Climate Group, Conference of Peripheral Maritime Regions (CPRM), The Northern Forum, Network of Regions for Sustainable Development (NRG4SD), Latin American Organization of Intermediary Governments (OLAGI)

UNDP “DOWN TO EARTH: TERRITORIAL APPROACH TO CLIMATE CHANGE”

1- UNDP approach to low carbon and climate resilient development

In financial terms, UNDP is one of the **largest brokers of environmental grants** in the developing world. For example, UNDP disbursed US\$ 1.58 billion directly and leveraged over US\$ 3 billion in co-financing from public and private sources to support sustainable development over the past three years. In 2006, UNDP decided to leverage its expertise in market transformation and technology transfer as a GEF and MLF implementing agency to assist countries design low carbon and climate resilient strategies and access/combine/sequences new sources of environmental finance through **Environmental Finance Facilities**.⁴

Set up in 2009, “**Down to Earth: Territorial Approach to Climate Change (TACC)**” is one of UNDP Environmental Facilities. It aims to support sub-national authorities to identify and develop projects which can meet local needs, while building both climate resilience and the infrastructure needed for low-carbon growth.

Senegal is West Africa’s biggest recipient of official development assistance.

Bilateral and multilateral agencies have separately developed their own local development programs. To hinder this phenomenon, TACC Senegal coordinates the efforts of eight partners from decentralized cooperation in support of the establishment of the joint low carbon and climate resilient strategy of the five regions of the Ferlo agro-pastoral area.

Despite the huge potential of addressing climate change at the sub-national level and the considerable success demonstrated in industrialized countries, UNDP’s research has shown that only a very small number of integrated climate policies exist at the sub-national level in developing countries. The vast majority of climate action is limited to individual mitigation or adaptation projects. “Down to Earth: TACC” leverages these experiences and puts them into a comprehensive policy framework.

Low-carbon and climate resilient strategies at the sub-national are established following a **five step process** for which UNDP ensures that proper methodologies and tools are being developed, provides its technical assistance and promotes collaborative among regions from industrialized, emerging and developing countries. To prepare an **Integrated Territorial**

Climate Plan (ICTP), “Down to Earth: TACC” helps sub-national governments:

- Put in place a **partnership and governance framework** to address the cross-sectoral nature of climate change by fostering the identification of a common ground among all partners;
- Develop their **climate change profile** to assess the present and future climate-risks and GHG emissions scenarios;
- Identify the **priority mitigation and adaptation options**;
- Assess priority financing needs and **identify the most appropriate mix of policy and financial instruments** to fund the above priority mitigation and adaptation options;
- **Access different sources of climate change funding** to finance the activities.

In Uruguay, the maps produced by UNDP showed that while the overall rainfall for the country foresees 1-2% deviation from current patterns, and thus no reason for alarm, the 5x5km resolution showed major changes in rainfall patterns locally in certain cases showing 40% deviation in the amount of annual rainfall that warrant appropriate adaptation action at sub-

⁴ See Appendix 3.

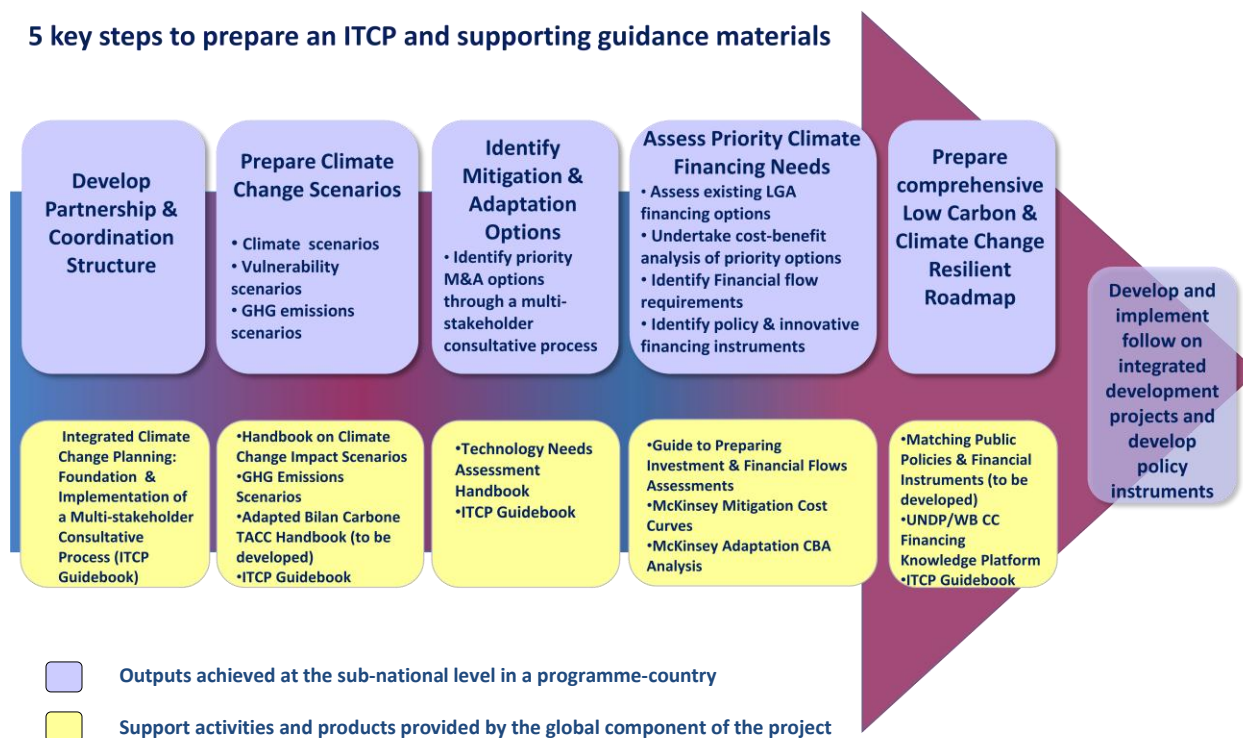
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Low Carbon and Climate Resilient Strategies at the Sub-National Level

By doing so, “Down to Earth: TACC” focuses on strengthening the capacities of sub-national governments to develop new regulations and policies and access new sources of environmental finance. It aims to create an enabling environment for the mobilization of public and private resources and to attract and drive direct investments to fund a coherent portfolio of credit-worthy projects.

With a **seed investment of 1M USD in capacity development at the sub-national level**, “Down to earth: TACC” is expected to **leverage 50M USD in follow-up investments** as the sub-national governments will be able to combine and sequence different financing opportunities including the carbon market.

5 key steps to prepare an ITCP and supporting guidance materials



Down to Earth: TACC includes **two components**:

- **the global project**, directly executed by UNDP at headquarter level and through the regional service centers,
- **a number of national projects** for each programme-country, overseen by the UNDP country offices and nationally executed.

The table below summarizes the resources necessary to implement the global component and the national projects for the next two years:

Table 1- Funding needs and available resources in a nutshell:

	Estimated resource needs	Available funding
Global project (for two years)	3'750'000	750'000
Country projects (each)	1'000'000	
15 country-projects over two years	15'000'000	7'000'000
TOTAL for TACC	18'750'000	7'750'000
TOTAL resources required 2010-11		12'000'000

2- THE GLOBAL PROJECT

From the provision of policy guidance and technical assistance to the mobilization of strategic partnerships

The global project provides support to country projects at every stage of the five-step process. It:

- sets up a global framework for the TACC including **strategic partnerships** with other UN entities, sub-national governments and their networks, the private sector and academic institutions.
- develops **methodologies and tools** for the country projects by distilling the experiences and good practices of sub-national governments and using UNDP's expertise in low carbon and climate resilient development
- provides **technical support**, collects and shares best practices
- develops **policy guidance**, and ensures coherence amongst the different national components as well as with UNDP's overall low carbon and climate resilient development policy.

Strategic Partnerships

The global support project ensures the establishment of strategic partnerships to foster the establishment of collaborative action among sub-national governments. Sub

For this purpose, various events have been co-organized such as the [Governors' Global Summits on Climate Change](#) hosted by the State of California, the [World Summit of Regions on Climate Change](#) or [side events during the Conference of the Parties](#) of the UNFCCC⁵. These events have not only underscored the important role played by sub-national governments in addressing climate change but have provided excellent opportunities for knowledge sharing and partnership building. In fact, a number of cooperation agreements originated in these meetings, for example between Senegalese regions and French, Belgian and Spanish regions.

UNDP also cooperates with other UN entities having a mandate and expertise in the field of climate change. For instance, UNEP supports the TACC by organizing awareness-raising and sensitization sessions on sub-national level climate action. The Initiative equally benefits from the training expertise of the United Nations Institute for Training and Research, the urban expertise of UN-Habitat and the project implementation expertise of UNOPS.

Methodologies and Guidance Materials

In 2009, UN Development Programme (UNDP) launched [Charting a New Low-Carbon Route to Development](#), a primer on integrated climate change planning for regional governments.

The publication seeks to advance the integration of climate change into development work, arguing that the full engagement of sub-national authorities is important to move the climate change and development agendas forward. The publication addresses options that, when tailored to specific circumstances, could help balance the pursuit of both climate change mitigation and the investments needed to accelerate poverty reduction and development. It also considers how to meet the adaptation needs that many countries will face.

⁵ See Appendix 1

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(to be completed by EEG)

Technical Assistance

The global support team includes economists, mitigation and adaptation experts and a dedicated team of regional environment and energy advisors in the Regional Service Centres of UNDP as well as the UNDP/ClimSAT centre.

CLIMSAT is a specialized expert center which facilitates and guides sub-national governments in sourcing and using satellite and other geo-spatial information and related management technologies to assess the physical impacts of climate change and related vulnerabilities in a given territory. CLIMSAT uses 3D visual models expressing the incidence of current climatic conditions on the sustainability of local ecological environment, economy and society. By further integrating two extreme IPCC climate change scenarios, future climate risks and hotspots induced by global warming are downscaled and easily qualified and quantified. Different adaptive as well as mitigation options can be visualized and corresponding projects evaluated.

UNDP/ClimSAT provides technical assistance and quality control, develops methodologies and procures climate modeling services to help sub-national authorities in the target countries prepare their climate change scenarios.

The global project outputs and funding needs

GLOBAL PROJECT OUTPUTS	Year 1	Year 2	Total (USD)
Output 1: Global framework for the Down to Earth Initiative is established including strategic partnership with other UN and specialized agencies.	556,350	541,350	1,097,700
Output 2: Methodologies and tools for long term climate change participatory planning are available, and solutions are in place for the sharing and dissemination of best practices and methodologies to other regions and cities.	162,500	152,500	315,000
Output 3: Regions are aware of climate change challenges and opportunities and of available technical and financial solutions.	85,500	86,000	171,500
Output 4: Technical support is provided to up to 50 regions in developing countries for the preparation of their regional climate change plans, including identification of priority mitigation and adaptation measures.	526,900	526,900	1,053,800
Output 5: Technical support is provided to up to 50 regions to identify possible policy and financing instruments to implement priority climate change measures.	345,000	345,000	690,000
Outputs 1, 2, 3, 4, 5 + Exec. Fees:	1,676,250	1,651,750	3,044,500
7% GMS	117,340	115,600	232,940
GRAND TOTAL (Estimated resource needs)	1,793,590	1,536,750	3,510,380
Available funding	750,000	0	750,000
GRAND TOTAL Resources Required	1,043,590	1,767,350	2,760,380

3- THE COUNTRY-PROJECTS

The pilot-countries

The five-step component of “Down to Earth: TACC” is spearheaded in pilot programme-countries by the respective national and sub-national administrations with support from UNDP country offices.

Thanks to the UNDP way of working, the establishment of low carbon and climate resilient strategy at the sub-national level is integrated into the national climate policy framework. Furthermore, UNDP being the development arm of the UN system, the initiative also feeds into the overall development priorities of the respective countries and sub-national entities.

The selection of pilot-countries is based on request from the national government and dialog between the national counterparts, the UNDP country office, the implementing sub-national government and the funding partners.

A number of partnership agreements have been signed or are under establishment with bilateral donors and sub-national governments from industrialized countries (see table below). The latter provide funding as well as their specialized expertise to be engaged and contribute in the programming process.

Priority countries in 2010-11:

2010	2011
As of March 2010, project activities have commenced in	In 2010-11, the following countries are expected to follow suite based on interest expressed by the respective governments:
<ul style="list-style-type: none"> ● Uruguay (<i>preparation of climate change scenarios</i>), <ul style="list-style-type: none"> ○ <u>Funding Partners</u>: Basque Country, E8 ● Senegal (<i>develop partnership and coordination structure</i>), <ul style="list-style-type: none"> ○ Belgium Government, French government (ADEME), Catalonia, Poitou-Charentes, Rhône-Alpes, Wallonie, Nord-Pas-de-Calais ● Uganda (<i>develop partnership and coordination structure</i>) <ul style="list-style-type: none"> ○ Welsh government, DFID, Ontario ● Albania (<i>preparation of project document</i>) <ul style="list-style-type: none"> ○ Greek government ● Colombia (<i>preparation of project document</i>) <ul style="list-style-type: none"> ○ UNDP, Ontario (tbc) ● Algeria (<i>preparation of project document</i>) <ul style="list-style-type: none"> ○ Québec, French Government (ADEME) tbc, Algerian Government ● Nigeria (<i>preparation of project document</i>) <ul style="list-style-type: none"> ○ Delta State 	<ul style="list-style-type: none"> ● Peru <ul style="list-style-type: none"> ○ <u>Donor</u>: UNDP ● Morocco <ul style="list-style-type: none"> ○ <u>Expression of interest from</u> : Veolia Environnement, French Government (ADEME) tbc ● Egypt <ul style="list-style-type: none"> ○ <u>Expression of interest from</u> : Greek government ● South Africa <ul style="list-style-type: none"> ○ <u>Expression of interest from</u> : Manitoba ● Ethiopia ● China ● India ● Indonesia

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Low Carbon and Climate Resilient Strategies at the Sub-National Level

Synthetic Flowchart and timeline of activities in a pilot-country

Model timeline of activities	Y1				Y2				Budget USD	Low Carbon & Climate Resilient Territories
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		
Project preparation and establishment of multi-stakeholder participatory process									150,000	
Internal preparation/collect info on existing local government climate issues and strategies/awareness-raising of regional authorities	■									
Establish a TACC Steering Committee and Proj Coord Unit	■									
Formulate multi-stakeholder consultative process/strategy to develop a TACC roadmap, incl. variety/composition of WGs freq of mtgs...	■									
Collect info on existing local government climate issues...	■									
Undertake multi-stakeholder consultations to develop a TACC roadmap	■	■	■	■	■	■	■	■		
Develop capacity ...	■	■	■	■	■	■	■	■		
Sub-national financing strategies									50,000	
Collect info on existing local government financing strategies	■	■								
Undertake feasibility studies on local government financing & policy			■	■						
Mitigation and energy development options									125,000	
Establish energy development and GHG emission WG	■									
Prepare GHG inventory and emission scenarios	■	■	■							
Identify priority options for mitigation through multi-stakeholder consultative process				■						
Vulnerability assessment and adaptation options									125,000	
Prepare climate impact scenarios	■	■	■							
Establish vulnerability & adaptation WGs (e.g. water, agriculture, forestry)		■	■							
Identify priority options for adaption through multi-stakeholder consultative process			■	■						
Assess priority climate financing needs and identify finance/policy mechanisms									150,000	
Undertake assessment of socio economic impacts of identified priority mitigation and adaptation options				■	■					
Prioritization of identified mitigation & adaptation options though multi-stakeholder consultative process)					■	■				
Identify financing and policy instruments to address prioritized mitigation & adaptation options through MSC process						■	■			
Draft a comprehensive low carbon & climate resilient strategy & action plan - ITCP								■		
"Fast track" and follow on projects									300,000	
Develop and implement 1-3 "Fast track" development projects (in consultation with external partners) through R20			■	■	■	■	■	■		
Develop and implement follow on integrated development projects in support of the ITCP by accessing, combining and sequencing different sources of environment finance								■	beginning in year 2 and continuing through year 3 and beyond	

DOWN TO EARTH: Territorial Approach to Climate Change

Low Carbon and Climate Resilient Strategies at the Sub-National Level

The fund needed to establish a sub-national low-carbon and climate resilient strategy is an estimated 1 M USD, which will leverage an estimated 30-50 M USD in public & private investments.

The budget vary according to a certain number of factors as the location of the implementing sub-national entity, the state of awareness and engagement of the sub-national government and its administration, the availability of data.

The funding gap for country-projects

The table below summarizes the resources necessary to implement the national projects for the next two years:

Table 1- Funding needs and available resources in a nutshell:

	Estimated resource needs	Available funding
Country projects (each)	1'000'000	
15 country-projects over two years	15'000'000	7'000'000
TOTAL resources required		12'000'000

APPENDIX 1 – THE PARTNERING ASSOCIATIONS & NETWORKS OF REGIONS: Who they are & What they do?

Who they are?

Sub-national governments contribute to a global climate solution. In recent years, sub-national climate leaders have organized themselves through networks to leverage their effort and foster collaborative action.

Eight Associations and networks of regions, which represent more than 1,000 regions, are partnering with the United Nations on the initiative “Down to Earth” among which:

- **Climate Group:** Launched in 2004, this network builds the economic case for taking action against climate change. It is of particular interest as it created a coalition of regional and municipal governments and of major business companies to reach its goal. One of its main initiatives, know as “States and Regions”, consists in teaming-up with sub-national governments to explore how they can act against change and show to their national and international counterparts that a prosperous low carbon economy is possible.
- **nrg4SD:** the Network of Regional Governments for Sustainable Development was formed by the regional governments that attended the Johannesburg World Summit on Sustainable Development (2002) to share information and experiences about sustainable development policy-making at the regional level. On November 2008, its secretariat committed itself to being fully part of the preparation of the roadmap towards a Post-Kyoto regime within the framework of the UN.
- **Assembly of European Regions:** Bringing together over 270 regions from 33 countries and 13 interregional organizations, the Assembly of European Regions aims at a triple objective through its activities in the field of environment: draw regions' attention on the challenges linked to climate change, encourage them to mainstream environmental concerns in their policy-making processes, take measures for safeguarding their natural resources. Climate change was at the core of both General Assemblies held last year (in Limousin on March and in Belfort on November).

Together with the United Nations, the Associations of Regions foster international cooperation among their members and promote collaborative actions on climate change

In 2005, the first **Climate Leaders Summit in Montreal** was held in conjunction with the 11th COP to the UNFCCC. This meeting brought together sub-national government and business leaders and resulted in the Montreal Declaration, signed by 38 sub-national governments from the United States, Canada, Europe, Africa, Australia and South America. The Declaration committed signatories to setting short- and long-term GHG emission reduction goals and taking action in a number of areas (energy efficiency, renewable energy, clean transport, fiscal mechanisms, sustainable forestry and agriculture) to achieve these goals. Those commitments were reported on as met by signatories in Poznan, Poland in 2008.

In 2008, 80 regional participants from around the world met at the [World Summit of Regions](#) in St Malo hosted by the President of Brittany and organized by UNDP and the Network of Regions for Sustainable Development (nrg4SD). The **global UN-Regions initiative “Down to Earth: TACC”** was launched at this occasion by UNDP, UNEP

and eight Associations of Regions. The participants of the summit committed to work with regions from developing countries as per above further elaborating their mitigation and adaptation strategies to help design a whole set of public policy and investments projects in these regions.

In December, 2008, building on the Montreal Declaration and on these in these international efforts, a **Statement of Action was delivered to the UNFCCC in Poznan, Poland**, on behalf of regions from around the world and supported by The Climate Group. The Statement contained new commitments of sub-national governments to setting energy efficiency and renewable energy targets, to partnering with developing country regions through the UNDP and to supporting a call for formal recognition by the UNFCCC of the role of sub-national governments.

“The Governors’ Global Climate Summit confirmed that there are solutions to the climate challenge and regions are definitely a part of those solutions,” said Olav Kjørven, United Nations Assistant Secretary-General and Director, UNDP

In October 2009 prior to the COP 15, California hosted in partnership with UNDP and UNEP the 2nd Governors’ Global Climate Summit, which brought together more than 70 states, provinces and countries. As the largest gathering of regional leaders focused on climate solutions, this summit helped to develop cooperative partnerships and provided sub-national leaders the opportunity to influence the position of their national governments in advance of negotiations for the COP 15. This summit focuses on the important work being done by progressive leaders across the globe to combat global warming. As a result of first year’s summit in 2008, an action plan was adopted by states

representing more than half of the world's forests, a first-ever voluntary carbon registry was launched in China with the support of its national government.

During the **COP 15 in December 2009**, over 60 governors, ministers and regional leaders gathered at [The Climate Leaders’ Summit](#) to unveil major new climate actions. A number of cooperation agreements for cooperative actions underway between developed and developing country regions to advance climate plans through UNDP “Down to Earth” initiative were signed. These partnerships set the stage for real capacity building and technology transfer.

During the second week of COP15, **several leading regions**⁶ transcended the old divisions that have characterized the climate debate for so many years, and **announced the concept of R20**. The R20 will be officially launched at the occasion of the 3rd Governors’ Global Climate Summit to take place in Los Angeles in September 2010.

“Many governors and mayors have blazed a path on sustainable development for others to follow. Many are established leaders in the fight against climate change, often taking more ambitious action than their national governments”, said Helen Clark, UNDP Administrator, at the Climate Leaders’ Summit Opening Ceremony

⁶ State of California (USA), Province of Quebec (Canada), Delta State (Nigeria), Region of Ile de France (France), Region of Oriental (Morocco), with the support of the Algerian Government.

APPENDIX 2 – AWARENESS-RAISING ON CLIMATE ACTION FOR SUB-NATIONAL GOVERNMENTS BY UNEP in collaboration with the Associations of Regions

In October 2008, UNDP, UNEP and eight key networks of sub-national governments formed a partnership to support sub-national action against climate change. They set up a common strategy to address the barriers which constrain the establishment of a low-carbon and climate resilient development at the sub-national level in developing countries

In collaboration with the networks of regions, UNEP took the lead on one part of this strategy: raise the awareness of sub-national entities on climate action.

Outcome of the project

Sub-national and local authorities have increased knowledge and capacity to identify risks and opportunities related to climate change at the territorial level and to design integrated climate change policies and plans within national plans, based on sound knowledge and science.

Main activities

The UNEP project focuses on awareness raising and training among 500 sub-national authorities worldwide. The main activities involved are:

- Assessing the training and information needs of sub-national authorities in relation to climate change mitigation and adaptation
- Collecting, reviewing and customizing existing training material and tools for possible use
- Creating new tools/materials tailor-made to the specific climate change issues in the sub-national territories, where necessary
- Compiling good practices and existing information on climate change impacts and integrated policies in relevant sub-national territories through relevant networks and associations
- Conducting awareness raising and capacity building workshops for groupings of sub-national authorities on five continents (taking into account ecosystems and ecological zones). The objectives of these workshops are:
 - a) Taking stock and reviewing international policy developments in the area of climate change from a sub-national perspective
 - b) Raising awareness and facilitating knowledge sharing concerning climate change action and fostering a green economy at the sub-national level
 - c) Sharing knowledge and tools relevant for strengthening climate change science, adaptation, mitigation, financing, and capacity development in sub-national territories
 - d) Catalyzing interest in developing an Integrated Territorial Climate Plan (ITCP) through multi-sectoral and multi-stakeholder collaboration, within a multi-level governance framework and in support of national climate change policies and plans
 - e) Exploring opportunities for sustained knowledge-sharing and capacity development for sustained sub-national climate change action

- Developing an interactive web based portal in support of sub-national authorities. The portal addresses the need to invest in long-term knowledge-sharing and relationship-building amongst local and sub national authorities, and enhance opportunities for learning and applying knowledge acquired through participation in these processes. The interactive web based portal will provide access to:
 - a) Climate change tools and methodologies relevant to sub-national authorities
 - b) Good practices in climate change adaptation and mitigation in sub - national territories
 - c) Opportunities for North-South and South-South interaction and networking amongst sub-national authorities

Current status of implementation

As of February 2010, the status of implementation is as follows:

- A **needs assessment** among sub-national authorities was carried out in Africa, Asia and the Pacific, Latin America and the Caribbean and Europe;
- The **compilation of good practices** in climate change adaptation and mitigation in sub-national territories is ongoing in Africa, Asia and the Pacific, Latin America and the Caribbean and Europe;
- The **workshop** objectives, structure and methods have been designed and the preparation of modules is ongoing (based on existing tools, methodologies and resources);
- A stakeholder consultation with regard to **the web-based portal** took place in November 2009 and a detailed Concept Note was finalized on the basis of these discussions;
- Tentative plans for the **first round of workshops** are underway (including in East Africa, Uruguay, Mexico, Albania, South Asia and China)

APPENDIX 3 - UNDP ENVIRONMENTAL FINANCE SERVICES

The financial resources involved in a shift to a low-carbon economy are daunting but not impossible to achieve. The key challenge of financing the transition towards a low carbon society is to redirect existing and planned capital flows from traditional high-carbon to low-carbon investments.

Over the past few years, the international community has developed a vast array of public policies, public finance mechanisms and market-based instruments to shift investments from fossil fuels to more climate-friendly alternatives. As a result, investments in the sustainable energy market have grown. Unfortunately, only a limited number of developing countries are benefitting from these opportunities as their existing markets often fail to attract investments in lower carbon and sustainable land use projects.

The investments required to address climate change in developing countries can be highly profitable but they are also perceived as high risk investments. Developing the capacity of low income countries to create conditions that reduce these perceived risks and access new sources of environmental finance to increase the return of climate projects is a key priority to scale up efforts to address climate change in an efficient and fair manner. UNDP assists governments in achieving this objective through providing environmental finance services to:

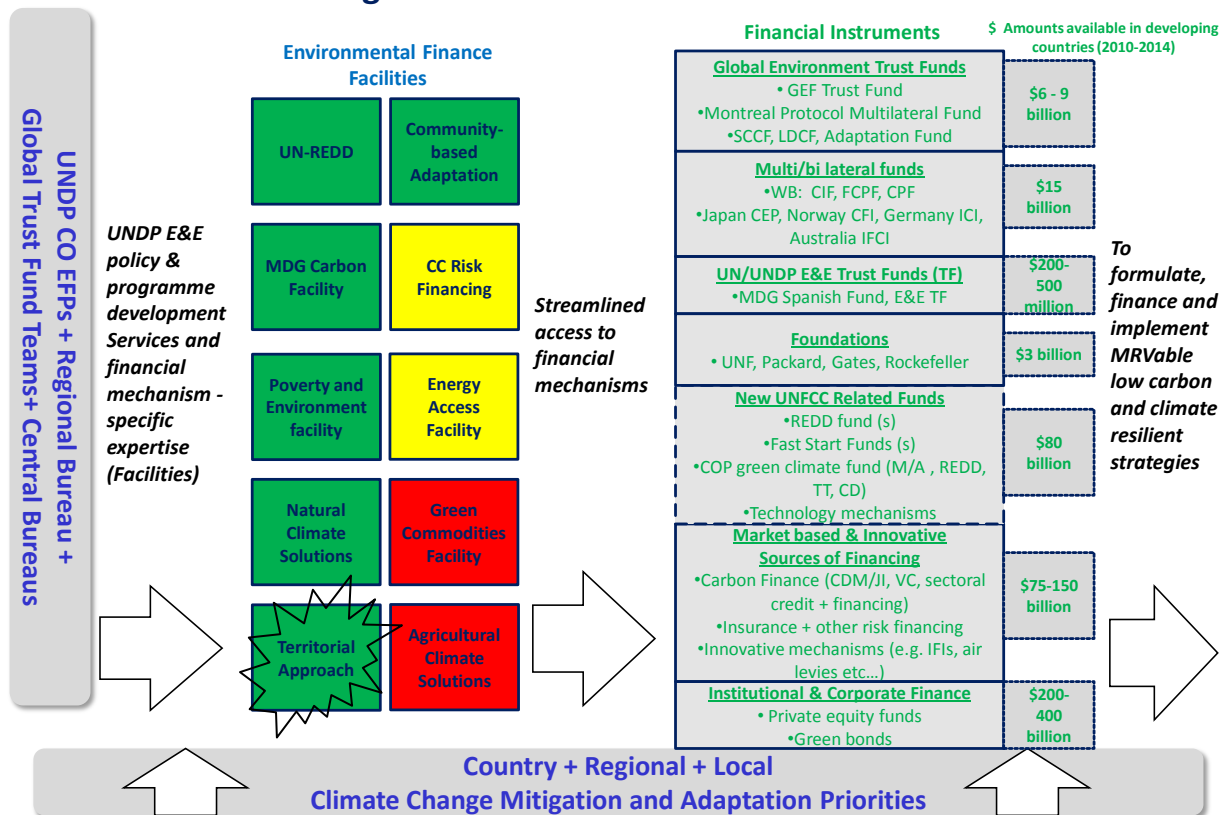
- **Formulate** low carbon and climate resilient **strategies** to identify priority adaptation and mitigation action, and develop portfolios of bankable climate change projects;
- **Create** an appropriate **enabling environment** – for example by strengthening public policies and financing mechanisms, institutions and national capacities – to reduce perceived investment risks;
- **Help** project proponents to **access** new sources of environmental **finance** to increase the internal rate of returns and commercial attractiveness of priority climate initiatives.

In financial terms, UNDP is one of the **largest brokers of environmental grants** in the developing world. For example, UNDP disbursed US\$ 1.58 billion directly and leveraged over US\$ 3 billion in co-financing from public and private sources to support sustainable development over the past three years. In 2006, UNDP decided to leverage its expertise in market transformation and technology transfer as a GEF and MLF implementing agency to assist countries design low carbon and climate resilient strategies and access/combine/sequences new sources of environmental finance **through Environmental Finance Facilities**.

Only five countries are expected to generate over 80 percent of CDM credits by 2012. Almost half of these credits will come from non-CO2 industrial gas emissions - such as HFC23 destruction and N2O emissions capture - that are characterized by a high return on investment but have very limited sustainable development benefits.

UNDP enhances the capacity of national and sub-national governments to formulate, finance and implement low carbon and climate resilient strategies, in a manner that is MRV sound, catalyses an array of financing sources and delivers long term results.

Delivering UNDP Environmental Finance Services



The **Territorial Approach to Climate Change (TACC)** is one of the Environmental Facilities of UNDP. It assists sub-national governments from developing countries to put their economies on a low carbon and climate resilient path.