

BACKGROUND : The territory as a place for integrated climate and carbon-related activities

The fight against climate changes is a human solidarity imperative

While global warming has become an undeniable reality developing countries while having insignificantly contributed to greenhouse gas emissions, are the most vulnerable. The 2007/08 UNDP Human development Report indicates that regions will be divided according to the impact of climate change and that the poorest will have to bear most of the consequences.

Sub-national authorities constitute an indispensable link in the chain to implement mitigation and adaptation policies

- ***Endowed with prerogatives, in the field of policy-making and the implementation of investment projects, sub-national authorities are also in the centre of social cohesion***

While local and regional governments implement national policies they also have regulatory and planning functions. They are simultaneously policy-makers and places for investment in a number of sectors responsible for greenhouse gas emissions (basic services, transport, construction, training ...). By their proximity, these territorial entities encourage institutional integration, awareness-raising of the population as well as the integration of the poorest.

- ***The reduction of energetic and climate vulnerability is a challenge at the crossroads of local concerns***

In the field of mitigation aiming to reduce greenhouse gas emissions, sub-national authorities have a wide array of actions to undertake. These policies can range from the reduction of energy use, usage that is mainly local in nature, to a more systematic reliance on decentralized production means, especially through renewable resources.

Taking into account climate patterns in long-term decision-making (in agriculture, planning, infrastructure etc.) is also key for the future of territories. Adaptation measures will be implemented at the level where the risks that threaten installations and individuals are present.

Paradigm change: towards a territorial approach to fighting climate change

If the transversal nature and the participation of all stakeholders active on the same territorial unit are key factors in the implementation of successful climate policies, the current approach must be abandoned. It has encouraged the development of a wide array of small, dispersed and fragmented projects and must be replaced by an ambitious logic of integration, one that focuses on economic development and the transformation of territories and that supports the implementation of national policies. The challenge of territorial approach responds to a dual objective:

- To integrate climate and carbon related constraints in the local planning instruments,
- To promote clean means of production and consumption at the local level.

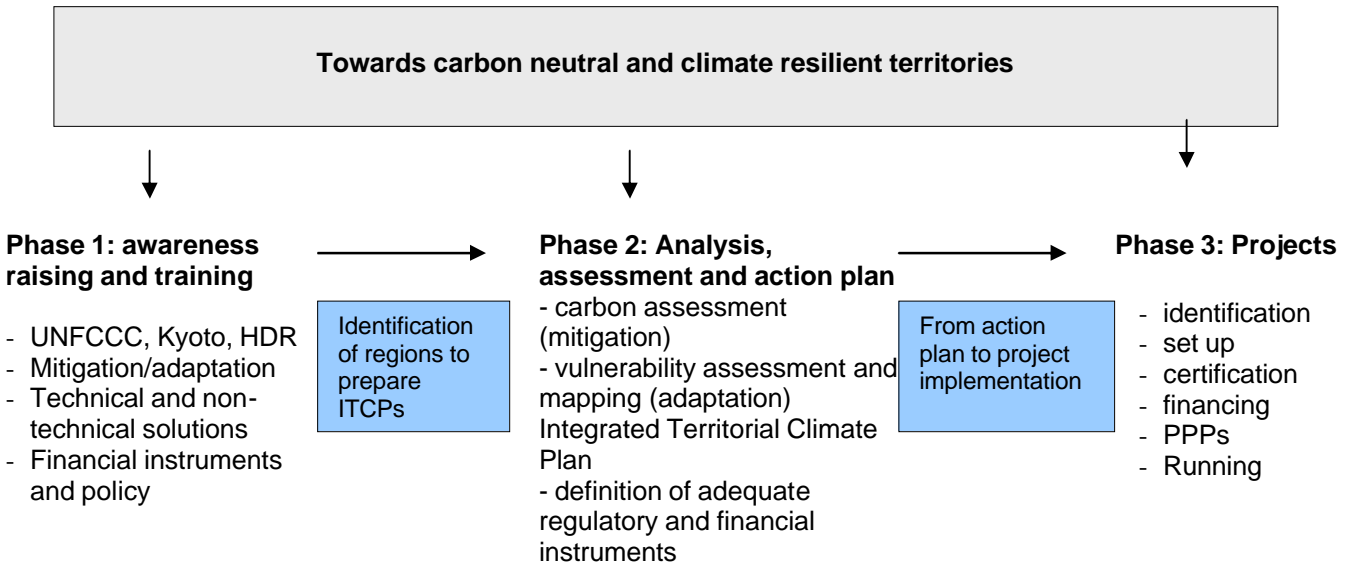
STRATEGY: Develop the capacities of regions in developing and transition countries and implement their Integrated Territorial Climate Plan (ITCP)

Programme partners would support sub-national authorities in the following areas:

- Know-how and **good practice** exchanges between the United Nations, national governments, regions and the private sector etc.
- Conception and provision of **methodological tools** and techniques necessary for the drafting of ITCPs
- **Training** on how to use these tools, as well as how to put in place a strategy and prepare an ITCP
- Assistance to select projects to implement ITCPs and identify appropriate regulatory and financial instruments: **public policy / investment projects**
- Technical assistance to facilitate access to **new financial mechanisms**

Territorial strategies: make it possible for regions in developing and transition countries to face up to the double challenge of mitigation and adaptation

Flowchart n°1: a global and integrated approach in its sequencing and scope



The programme (approach n°1) will be implemented by programme partners **during a period of 5 years** as follows:

- **Sensitize and train 500 subnational authorities on the climate change**

This first phase is made up of two main axes: the preparation of tools to share knowledge and the organization of learning workshops by peers in the 22 regional groupings on five continents.

This is to make sure that the regions in developing countries are informed of the challenges of climate change (mitigation/adaptation), as well as of the measures already taken at the international level (UNFCCC, Kyoto Protocol...), the good practices and actions successfully undertaken by their peers, and the opportunities to seize to ensure sustainable development on their territories (regulatory and financial instruments, technological solutions...).

Representatives of sub-national authorities will be invited to workshops gathering practitioners from other authorities, as well as experts from the United Nations, central governments, NGOs, private sector or academia. In this framework, South-South and North-South decentralized cooperation will be encouraged while the learning process facilitated by peers will guarantee a better acquisition of knowledge.

- **Assist 50 regions in the preparation of their Territorial Climate Plan**

These workshops will help to identify the regions who wish to set up a territorial climate plan. The plan will aim to establish a business friendly environment as well as development patterns that rely on sustainable means production and consumption. Some pilot regions will launch the process by the end of 2008, in the framework of partnership with nrg4SD, an association of regions.

After the definition of objectives, the phase will be broken down to 2 steps (flowchart n°2):

- Preparation of a **mitigation plan** based on the **carbon footprint**: the authority will be able to quantify and qualify its greenhouse gas emissions thanks to the **a methodology of carbon accounting provided and adapted by ADEME**
- Preparation of an **adaptation plan** based on the **vulnerability assessment of the territory using satellite imagery** permitting the spatial and temporal projection of possible climate impacts according to different hypotheses (sea level, temperature variation, rainfall etc.) The imagery will be provided by **UNOSAT**. **UNDP** will assist with the assessment of the capacity for adaptation of the territory, the definition of a strategy as well as with the implementation process¹. **UNDP** will also support the subnational **authorities in identifying the appropriate regulatory and financial mechanisms** (public or private, national or international) to implement the selected actions.

¹ Based on the methodology developed by UNDP in 2003 : see *Adaptation Policy Framework*, co-published by Oxford University Press and UNDP

Once prepared, the two plans will be integrated and the subnational authorities would have a territorial climate plan

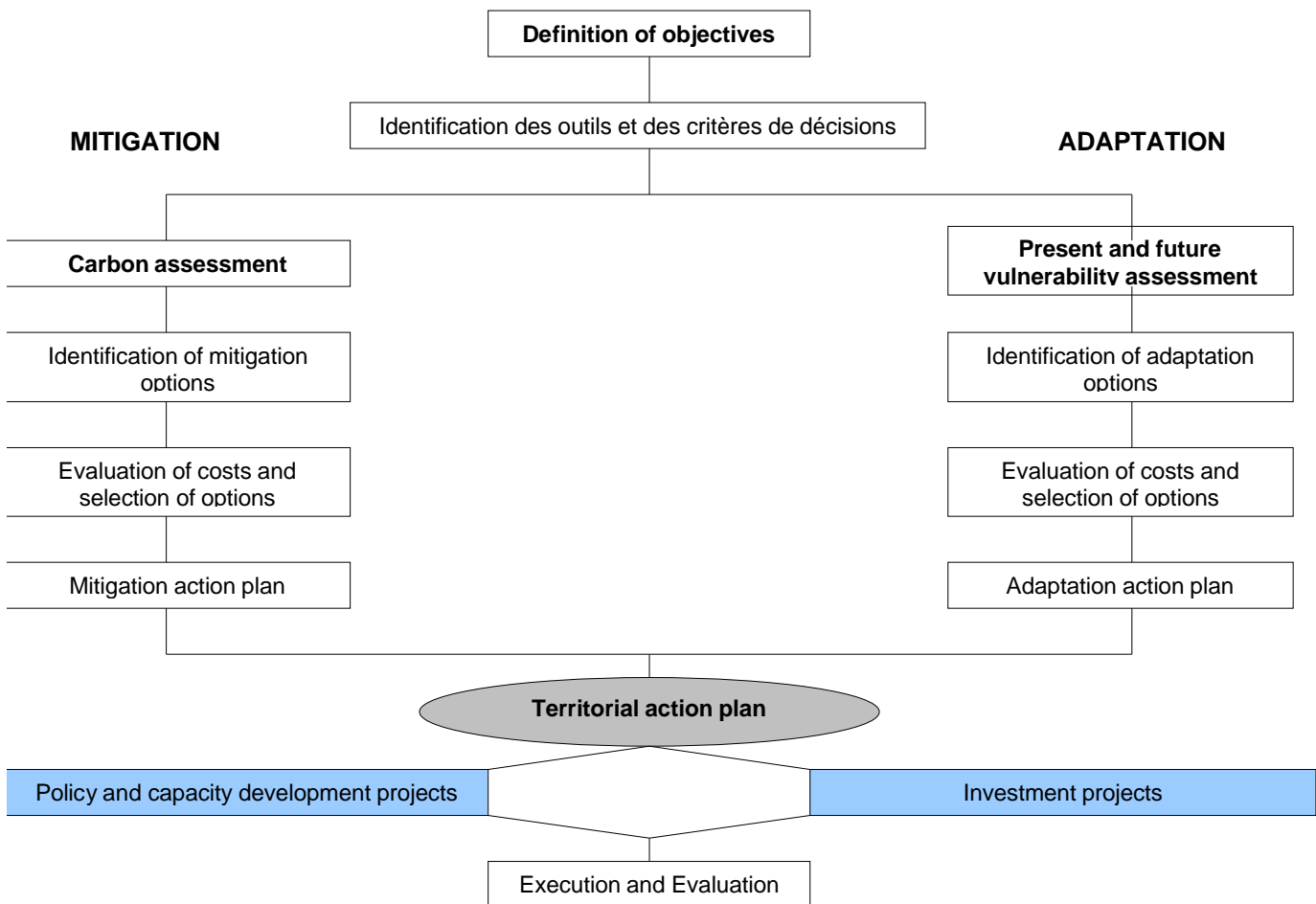
- **Support the implementation of hundreds of projects within the territorial climate plan**

In each of the 50 regions the partners will assist in the identification and the formulation of the projects:

New regulations and policies: regulation of the thermal performance of buildings, revision of urban planning documents, extension of emergency systems, introduction of carbon taxes, financial incentives etc.

Material investments: building insulation, cogeneration (energy from waste), small solar or wind energy farms, geothermal energy, sustainable transport etc.

Flowchart n°2: Preparation of integrated territorial carbon plans and project identification



Beyond regional strategies: leverage for sustainable economic development by facilitating access to new sources of financing for regions of developing and transition countries

In the framework of their assistance to subnational authorities to put in place territorial strategies, the project partners will also help **to better exploit the existing project financing sources** (fiscal measures, energy saving certificates, tax credits, low interest rate loans, partnership contracts, carbon finance, GEF and other public funds for climate change, development assistance, new insurance services for adaptation etc.)

Better understanding of these instruments will permit the implementation of pilot projects but also and more importantly it would also have **multiplicating effect by facilitating the mobilization of much larger funds.**

RESOURCES: the mobilization of partners has facilitated a number of developments during the first semester of 2008

Before the official launch of activities in St. Malo in October 2008, activities are already undertaken

With the first international Summit of regions on climate change, which will take place in October 2008 in St. Malo (France), the partners are engaged in the following activities:

- Setting up of a **database** of different adaptation and mitigation projects undertaken by subnational authorities and supported by the United Nations (UNDP, UNEP, FAO, UNITAR, ISDR)
- Drafting of a **brochure** on "Actions undertaken by regional and local authorities on climate change issues", based on a collection of different activities illustrated by concrete examples
- Guidance material and **methodological tools** to prepare territorial climate plans:
 - o by adapting the **Carbon Footprint methodology** for sub-national entities prepared by **ADEME**
 - o adapting **UNOSAT** tools permitting to **map the vulnerability of territories**, and development of analytical approaches, based on three case studies (Matagalpa Region in Nicaragua, River State in Nigeria and Kalimantan in Indonesia)
 - o adaptation of methodologies of UNDP aiming to elaborate adaptation policies and measures
- **Identification of four to six pilot regions**, in which the territorial approach to adaptation and mitigation will be implemented with the help of various European regions. Domestic public resources and Official Development Assistance will be leveraged to support required policy change and capacity development initiatives to implement the Territorial action plan. Innovative sources of finance will be explored to support investment projects, including carbon finance with the support of UNDP MDG Carbon Facility.
- **Resource mobilization: UNDP, nrg4SD, the regions and Veolia Environnement** have already raised financial resources to implement this preparatory phase

Thanks to the contribution of the first committed partners

- **Associations of regions: nrg4SD** a network of regional governments wishing to exchange their experiences in the field sustainable development. With the collaboration of the Northern Forum that unites the regions around the Pole, the International Association of Francophone Regions, the Latin American organization of sub-national governments and the European Assembly of regions
- **French Agency for Environment and Energy, ADEME**
- **Agencies and programmes of the United Nations:** UNDP, UNEP, in collaboration with UNOSAT and ISDR
- **Private sector:** Veolia Environnement

FUNDS TO RAISE: 70 million dollars for the implementation of territorial strategies that would generate 2.5 billion dollars for projects in developing regions

UNDP already has an operational trust fund

Since 2006 UNDP is responsible for a Trust Fund and has mobilized 50 million USD to implement development programmes based on a territorial approach to development. This fund will be available for the present programme on climate-related policies and a independent and specific section will be opened therein.

The implementation of the programme over 5 years requires 70M USD:

Phase 1: 6M USD:	- Training workshops in 22 regional groupings:	22*250 000= 5.5M USD
	- Preparation, expertise, follow-up, reporting and evaluation:	0.5M USD
Phase 2: 40M USD	- carbon footprint + mitigation action plans in 50 regions:	50*400 000=20M USD
	- Vulnerability assessment + adaptation action plans:	50*300 000= 15M USD
	- preparation, expertise, follow-up, reporting, evaluation:	5M USD
Phase 3: 19M USD:	- implementation of 4 to 6 projects included in the ITCP:	50*360 000=18M USD
	- preparation, expertise, follow-up, reporting and evaluation:	1.45M USD
Support costs UN:		7%= 4.55M USD

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