



Supporting countries in a transition to Green Low Emissions, Climate Resilient Development



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- **Climate Change is more certain than some people think:**
 - CO₂ *will* rise (how much depends on us);
 - Temperatures *will* rise (+0.6 to 1.5°C by 2030; 1 to 5°C by 2070);
 - Sea level *will* rise (~1m by 2100);
 - Oceans *will* acidify
 - *Trend and magnitude of change is sure, but timing is uncertain*

- **Some changes are likely, but the direction will vary across locations:**
 - Rainfall patterns will change, but location uncertain;
 - Storms/cyclones will most probably intensify;
 - ‘High end’ extremes will be more likely (and may co-occur):
 - Heatwaves, drought, fires, hail, floods;
 - ‘Low end’ extremes will generally decline (e.g. frosts)
 - *Impacts are more uncertain (but phenomena are mostly variable)*



Charting a course away dangerous climate change: A shrinking window of opportunity

To keep within 2C threshold CO₂e concentration should stabilize at **450 ppm**

The UNDP 2007/2008 HDR estimated that the 21st Century carbon budget is set at **1,456 Gt CO₂**

A sustainable emissions pathway will require the world to cut emissions by at least **50 percent by 2050**

Global GHG emissions, Gt CO₂e per year



Fig. 3.1. 17 Gt of reductions below the reference pathway in 2020 are required to stay on a 450ppmv pathway. (Source: McKinsey Global GHG Abatement Cost Curve v2.0 (2009); M. G. J. Den Elzen and M. Meinshausen, *Multi-gas emission pathways for meeting the EU 2°C climate target*, 2006; IEA World Economic Outlook 2007; Project Catalyst analysis)



LATIN AMERICA
AND THE CARIBBEAN
A BIODIVERSITY SUPER POWER

Region with richest Natural Capital in the world?

- Latin America includes six of the most biologically diverse countries in the world, as well as the richest area of the planet - the Amazon
- 50% of plant life in the Caribbean is endemic to the region
- The Meso-American Barrier Reef is the largest coral reef in the Western Hemisphere
- South America has more than 40 % of the world's biodiversity and more than 25 % of its forests.

RECOMMENDATIONS



- Sectoral plans should undertake trade-off analysis between maximization of short term production and ES maintenance.
- Level the playing field for development and incentivize SEM. Reduce subsidies.
- Economic instruments and planning set up to reduce off-site degradation of ES.
- Increase the asset value of biodiversity and ES.
- Increase public sector revenues from use of ES.
- Generate and capture hard economic data on ES.

VISION: Fostering Human Development in a changing climate

STRATEGY:

develop the capacity of countries to prepare, finance, implement and report on green, low carbon & climate resilient development strategies.

KEY SERVICES

Mainstreaming:

Assist countries to develop green, low carbon & climate resilient strategies including strategies to maintain economic growth and resilience

Environmental Finance:

Identify, access and combine sources of environmental finance to attract and drive much larger private sector investment flows towards low carbon, climate resilient and ecosystem friendly development

LECRDS - Strategic Objective:

National and sub-national Governments able to attract and direct public and private investment towards catalyzing and supporting sustainable economic growth



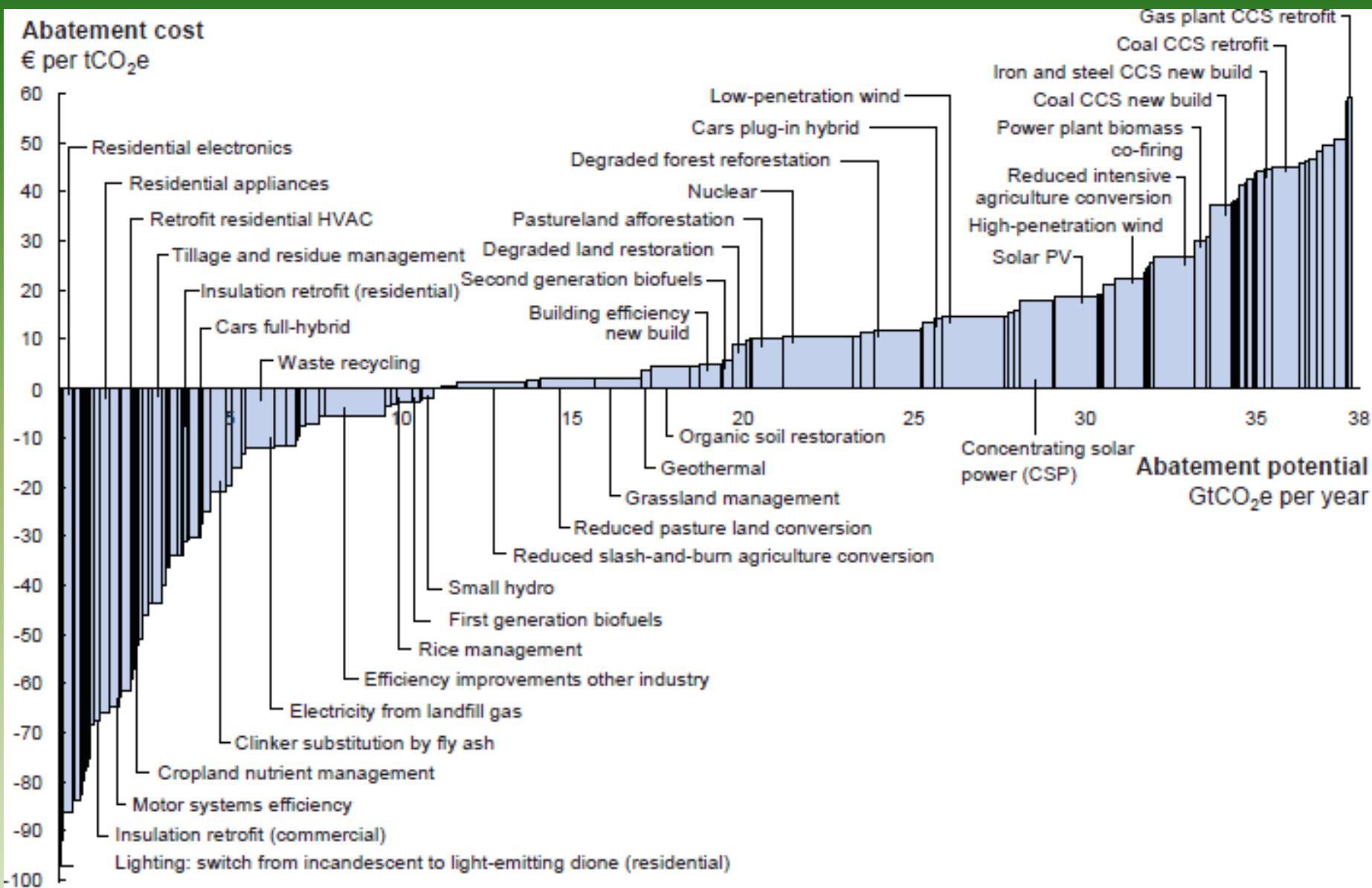
MAJOR BARRIERS AND HOW TO ADDRESS THEM

1. Isolated and fragmented sectoral approaches
2. Limited awareness of effect of CC on ecosystem, and social and economic dimensions
3. Consideration of prospective climate scenarios for decision making - biophysical & economic
4. Capacity to access climate financing (and also to combine and sequence the funds)
5. Knowledge and capacity re array of LECR policy mechanisms to support economic transformation
6. Knowledge of MRV approaches

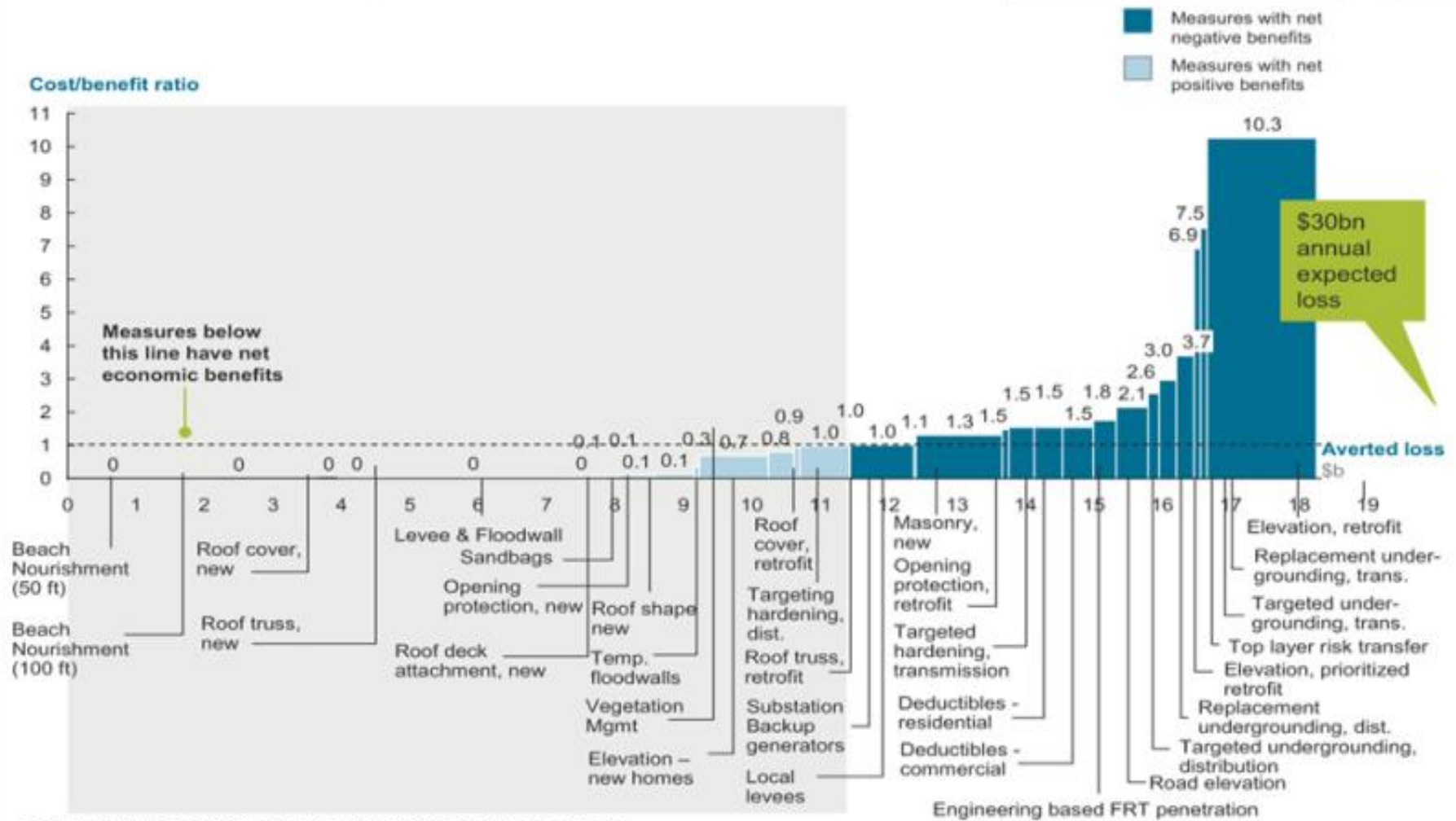
Barriers and How to Address Them

A 5-Step Process

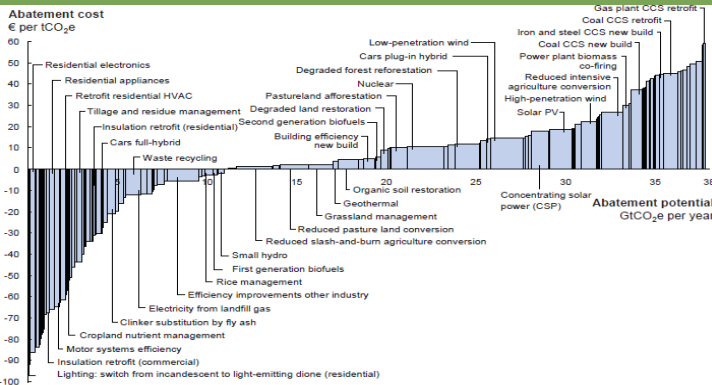
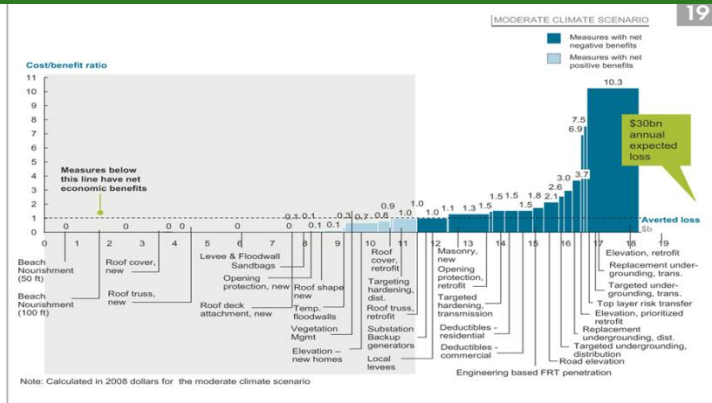




MODERATE CLIMATE SCENARIO



Note: Calculated in 2008 dollars for the moderate climate scenario



Process to select an appropriate combination of financial and policy instruments

II. DEFINE BARRIERS

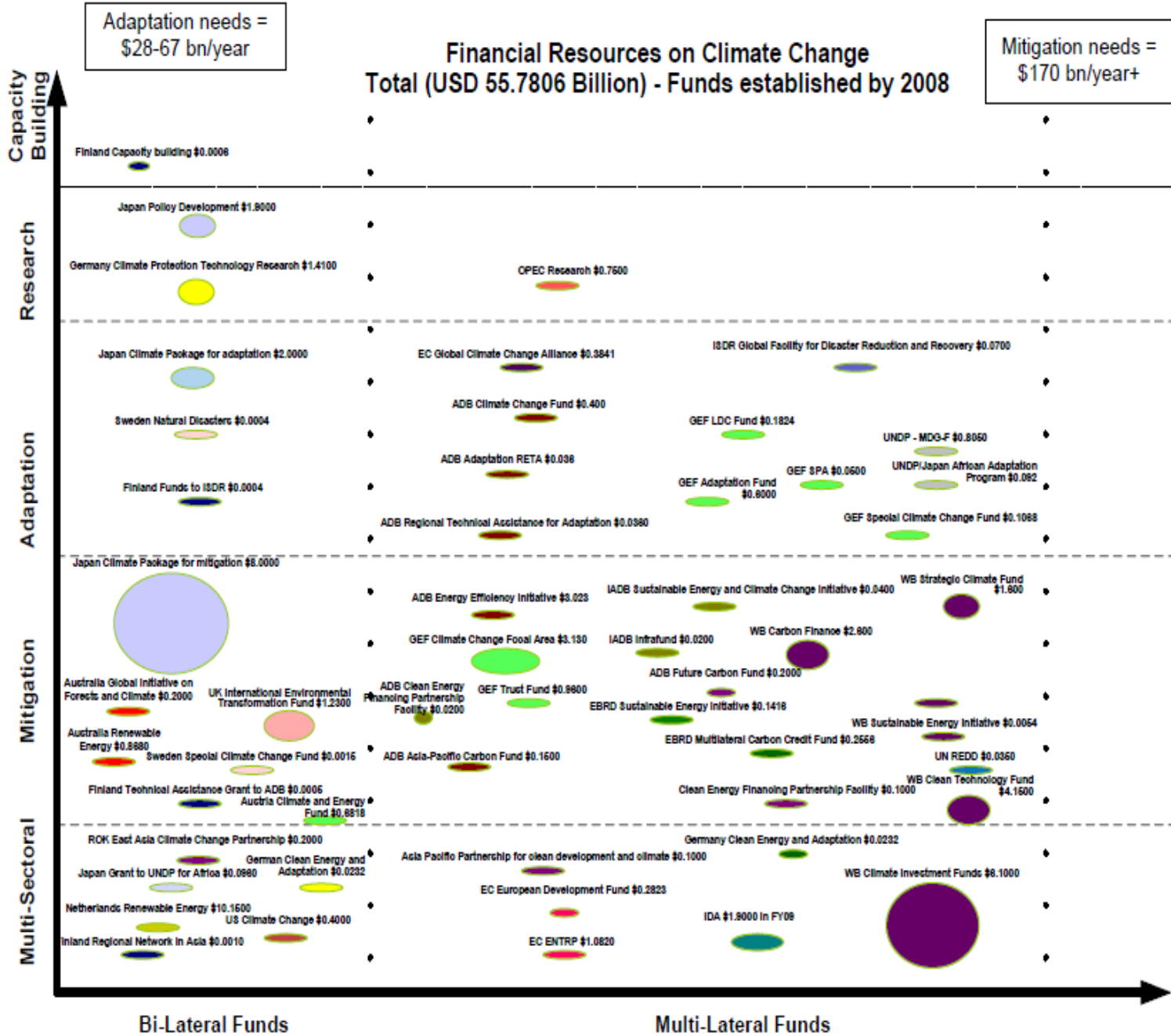
- Market barriers
- Institutional barriers
- Social barriers
- Technical barriers

III. SELECT APPROPRIATE MIX AND SEQUENCE OF SUPPORTING POLICIES

- Capacity development and instruments
- Regulations
- Tax-based mechanisms
- Market-based development mechanisms
- Debt and equity –based mechanisms

IV. SELECT FUNDING

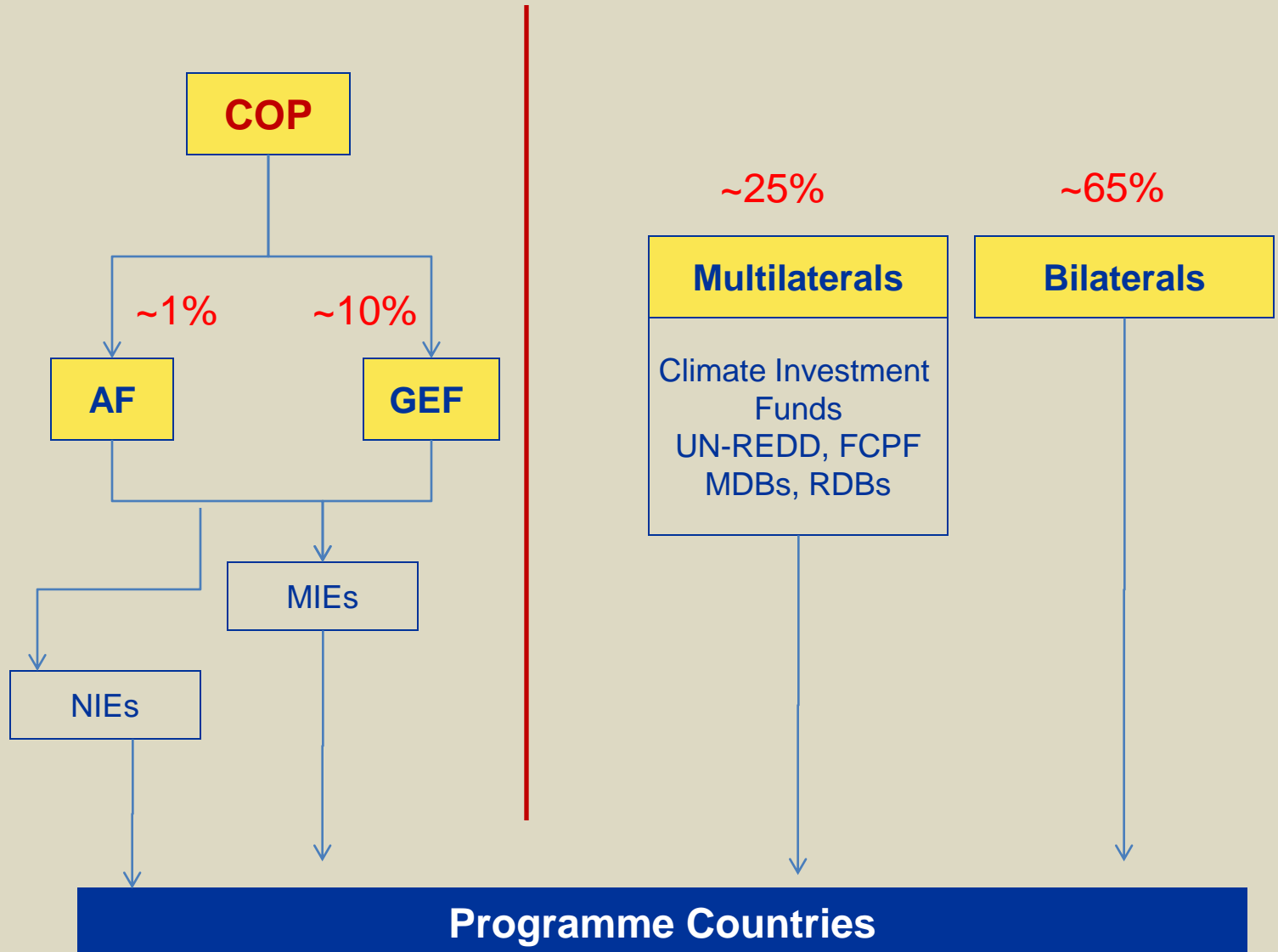
	INTERNATIONAL	NATIONAL & SUB-NATIONAL
Public Funds		
Innovative finance		
Private Funds		



Consolidated overview; UNEP - 2009 NOTE: This includes only those Funds that have specific institutions attached. It does not include all private venture capital, innovative financial mechanisms, voluntary carbon markets, and private foundations.

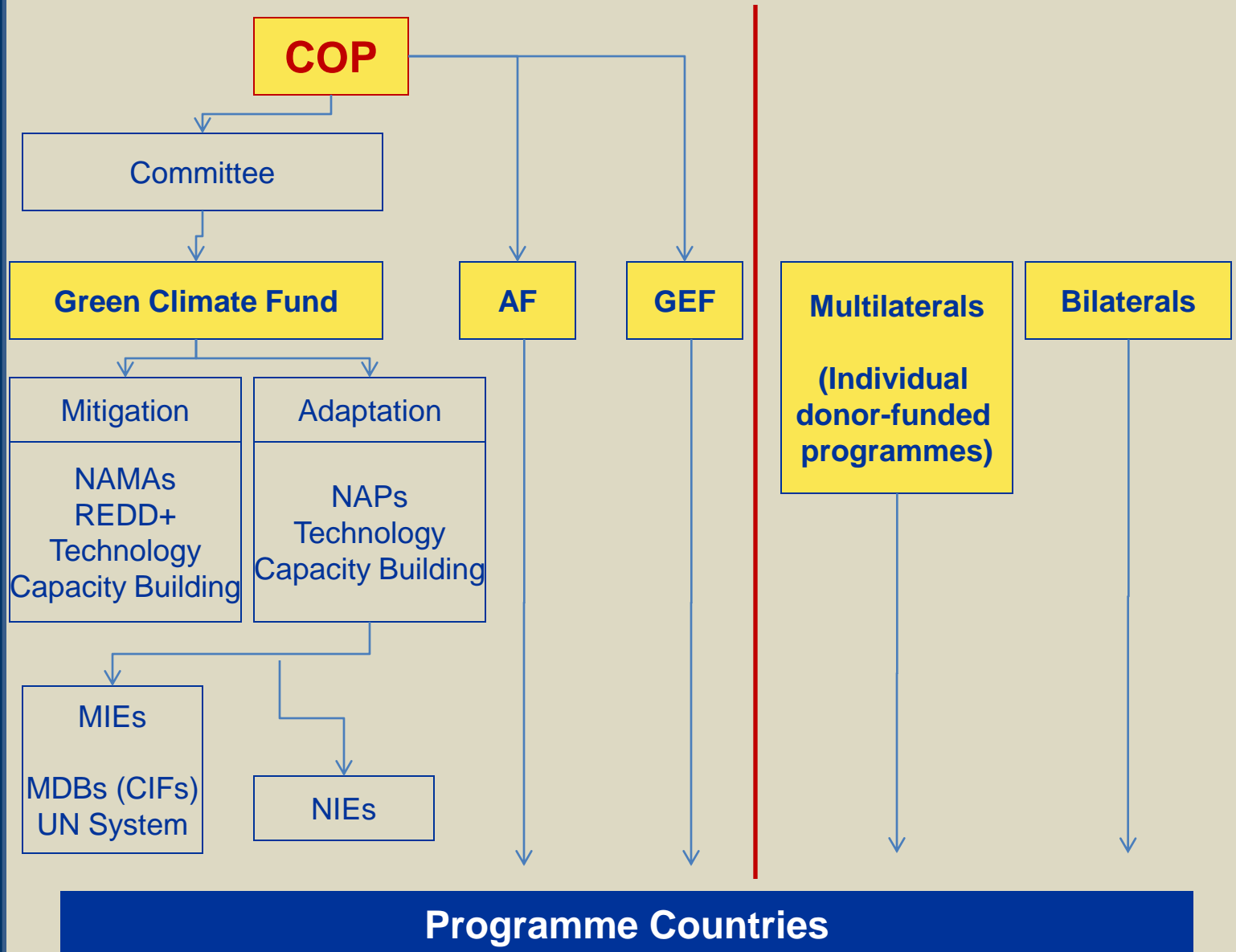


Public Climate Finance Landscape



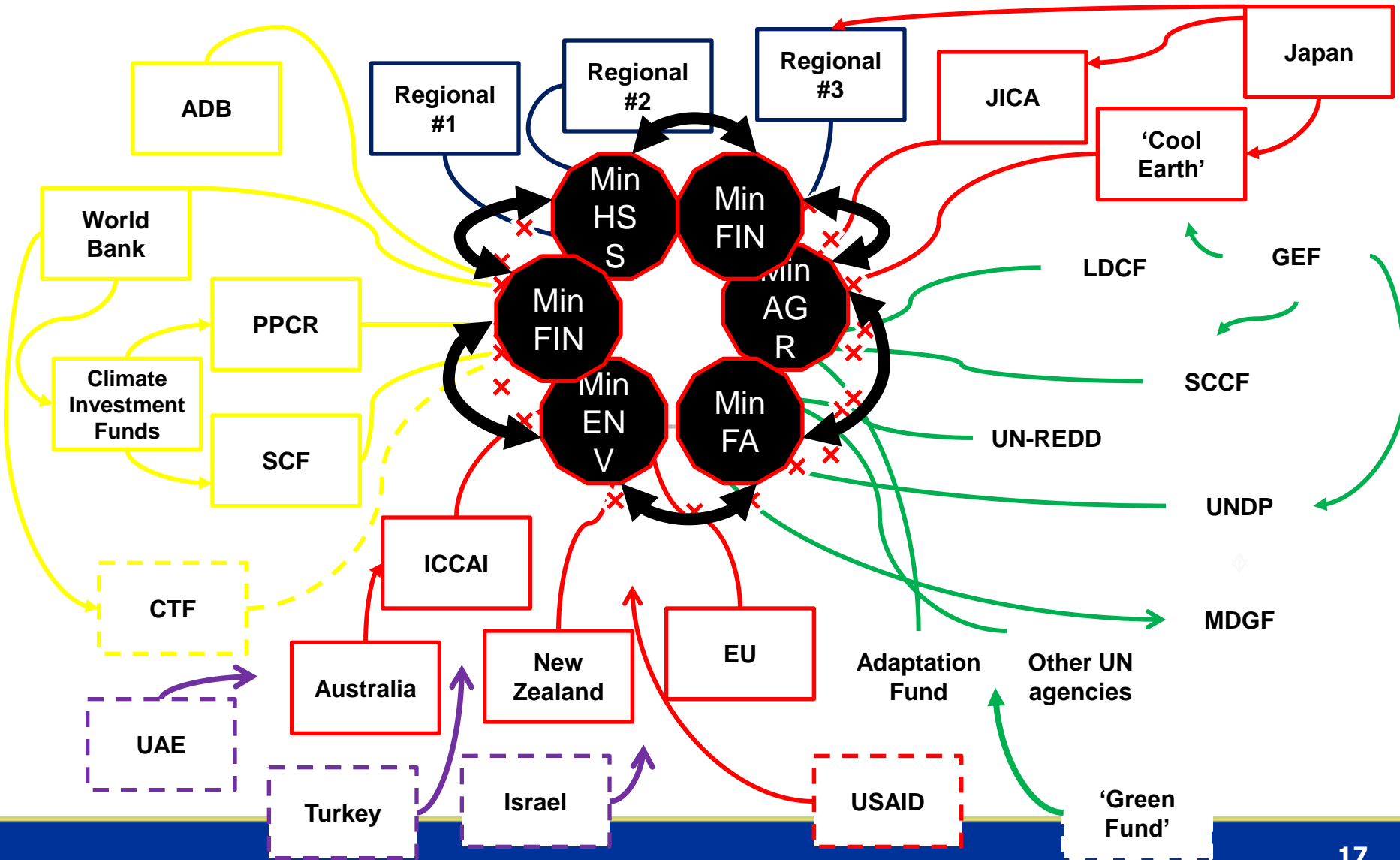


The Evolving UNFCCC Funds Architecture





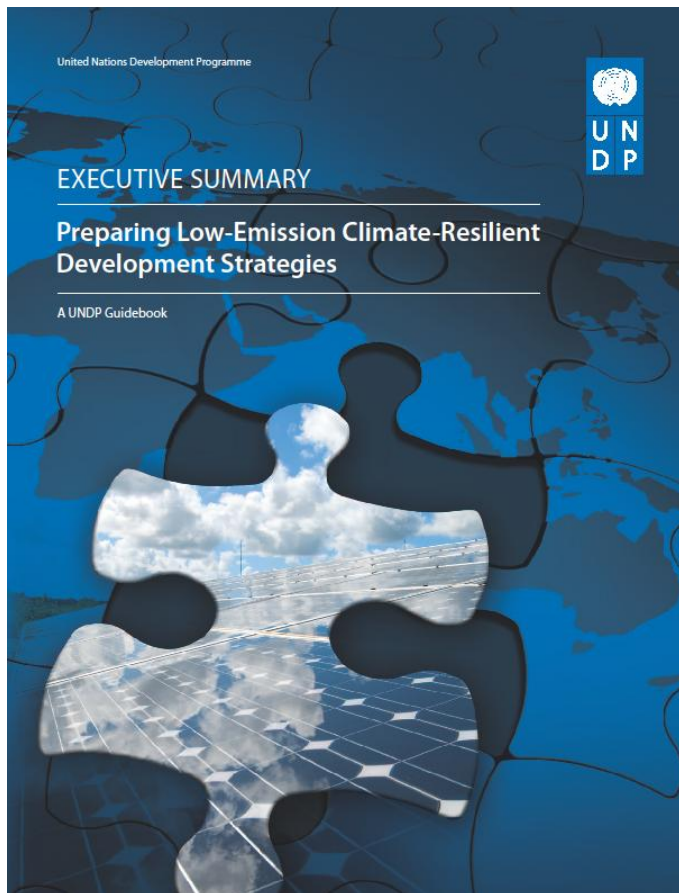
From a country perspective



Take Home Messages

- **Multiple funding windows** – Emerging CC architecture;
- Need national strategy to access funds and use efficiently and effectively (**Low Emission Climate Resilient Development Strategy**)
- **Private finance** expected to dominate over public finance (Businesses and households will account for over 80% of the additional climate investment required in 2020).
- Use limited sources of public finance to **catalyze much larger private flows.**
- **Direct Access** – new modality gives options for access without Multilaterals
- **Internally coordinated solutions needed** (integrated adaptation/mitigation/ ecosystems resilience); multiple benefits (promote synergies between development, climate and ecosystems finance)
- **Countries must prepare now** for the emerging CC architecture

Thank you for your attention



Visit UNDP at :

http://www.undp.org/environment/climatestrategies_approach.shtml