

2011

France's international action on climate change



Directorate-General of Global Affairs, Development and Partnerships

The need for a collective action

More than 8,000 scientists worldwide, brought together on the Intergovernmental Panel on Climate Change (IPCC), are of this opinion. If current world trends continue, in two generations we will have crossed the dangerous global warming threshold of 2°C as compared to the pre-industrial era.

The effects of climate change are already being felt on every continent, particularly to the detriment of the poorest and most vulnerable populations. Human activity is one of the causes of this change.

Water, agriculture, energy, biodiversity and health are all affected by climate change, which thereby threatens sustained international growth, as well as economic and social development, and ultimately undermines the efforts to reach the Millennium Development Goals. **It has become a destabilizing factor and a challenge to collective security.** Conflicts around natural resources, migration due to lack of access to water and land are aggravating social tensions and undermining political stability.



View of the Collins Glacier, King George Island, Antarctica © UN Photo/Eskinder Debebe.



A global challenge

To face the climate challenge, we need to work together and to increase our coordination at every organizational level, from local level to international level. The gradual recognition of the importance of the issues linked to climate change has led to an unprecedented mobilization of civil societies and governments, as shown by the large attendance of Heads of State and Government at the Copenhagen Conference in December 2009. The Bali Conference in late 2007 established a roadmap that calls for the creation of a new international regime for the fight against climate change from 2012 onwards.

KEY INSTRUMENTS

In the United Nations Framework Convention on Climate Change (UNFCCC), signed in Rio in 1992, every country in the world set the objective to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system (art. 2).

To achieve that objective, in 1997 the Parties signed an implementing protocol to the Convention: the Kyoto protocol, which set quantified targets for reducing emissions of greenhouse gases (GHGs) by 2012 for 40 industrialized countries, known as "Annex 1" countries (and the European Community as a whole). The overall objective for these countries is to reduce emissions by 5.2% compared to 1990 by 2012.

UN negotiations continue to design a global climate change regime after 2012.



Damaged juniper (Central High Atlas, Morocco) © IRD/Vincent Simonneaux.

The Cancun Conference in late 2010 incorporated the Copenhagen political decisions into the legal framework of the United Nations Framework Convention on Climate Change (UNFCCC). **The international community is still in need of a global shared vision whereas the actions so far announced by the Parties are not sufficiently ambitious to limit global warming to 2°C.**

Transparency of a regime based on common rules is key to the effectiveness of a concerted international action. Going beyond individual interests, improving and completing the international regime to make it coherent and effective are necessary **to organize our collective response to a common threat.**

THE CANCUN AGREEMENTS

The Cancun decisions (2010) reaffirm the collective ambition to reduce emissions which guided the Copenhagen Accord (2009), and include: the objective of a maximum 2°C rise in temperatures, with the willingness to aim for 1.5°C after 2015, the objective of “achieving the peaking of global and national greenhouse gas emissions as soon as possible”, and the need to work on an objective for 2050 at Durban.

These decisions also include tangible measures in five areas, in particular the creation of the Adaptation Committee, the Technology Executive Committee, the Transitional Committee for the design of the Green Climate Fund, the REDD+ Mechanism for the fight against deforestation, and the extension of the Clean Development Mechanism to include carbon capture and storage projects.





France supports ambitious commitments within a rules-based framework

France calls for clear-cut and ambitious commitments by each nation. In accordance with scientific recommendations, these objectives for medium-term emissions cuts should be between 25% and 40% for developed countries. Developing countries should commit to bringing down their emissions by 15% to 30% as compared to business as usual.

To make this possible, a **framework must be put in place to ensure reliable and transparent implementation** of policies and programmes aiming to comply with **measurable and verifiable commitments. This is one of the basic underlying goals of the compromises struck at the Copenhagen and Cancun conferences. This should be at the core of a post-2012 international regime.**

SUPPORTING ROBUST CLIMATE POLICIES FOR COUNTRIES

The French development agency (AFD) has developed innovative budget assistance tools for countries wanting to integrate climate challenges into their development strategy. This budget assistance for climate, together with a high-level technical dialogue, encourages changing public policies and investments beneficial to the fight against climate change. These “climate plans” are effective instruments to stimulate the flows of international and national financing, especially from the private sector.

A prominent development agency, the AFD has already supported, alongside other international donors, countries such as Indonesia, Mexico, Vietnam and Mauritius. In total, the AFD has allocated \$1.7 billion to these operations since 2008. Similarly, the AFD intends to help volunteer countries on the African continent draft their national climate strategies. These strategies would include action plans and projects in the areas of energy, transport, agriculture and forest protection.



Façade of the French embassy in Denmark during the Copenhagen Conference
© French Embassy in Copenhagen/Bénédicte Hausmann.

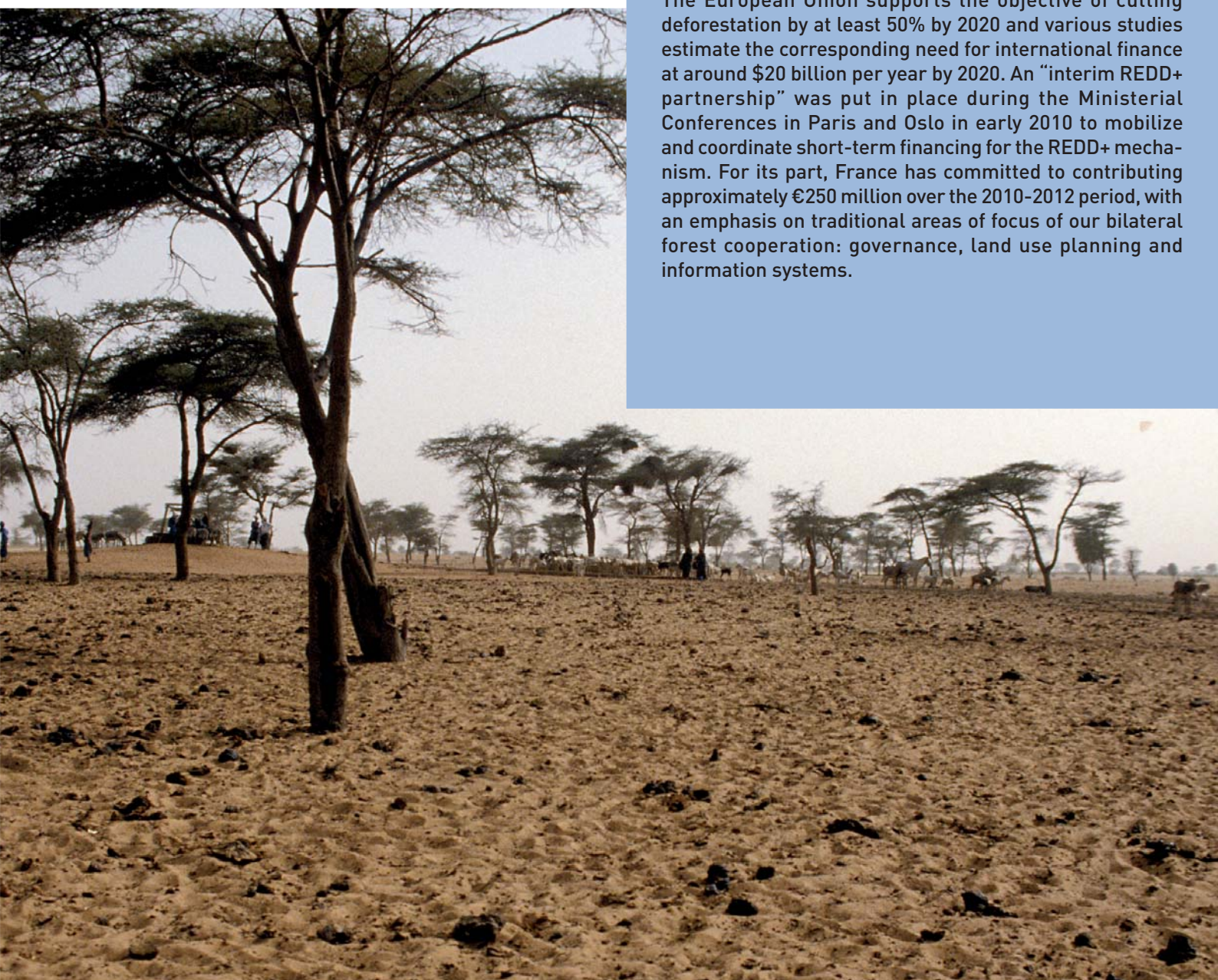
Addressing deforestation and forest degradation is crucial in the fight against climate change, as deforestation accounts for about 20% of international greenhouse gas emissions. **France has made it a priority, not only for climate change mitigation, but also because of its cobenefits in preserving the environment.** Its experience with the forest countries, its close, long-standing cooperation, and the good value for money of the actions it undertakes have made France a major actor in this area.

ADDRESSING DEFORESTATION

The REDD+ mechanism (Reducing Emissions from Deforestation and Forest Degradation in developing countries) provides results-based financial support for the protection of forest against national reference levels for forest emissions.

In accordance with the acquis of Copenhagen and Cancun, forest countries must in a first phase prepare national strategies, establish forest monitoring systems, strengthen institutional capacities and implement pilot projects to gain experience at local and regional levels.

The European Union supports the objective of cutting deforestation by at least 50% by 2020 and various studies estimate the corresponding need for international finance at around \$20 billion per year by 2020. An “interim REDD+ partnership” was put in place during the Ministerial Conferences in Paris and Oslo in early 2010 to mobilize and coordinate short-term financing for the REDD+ mechanism. For its part, France has committed to contributing approximately €250 million over the 2010-2012 period, with an emphasis on traditional areas of focus of our bilateral forest cooperation: governance, land use planning and information systems.



The biodiversity of French Guiana's forest is today threatened by deforestation © IRD/Bernard Osès.



Pursuant to the principle of common but differentiated responsibilities affirmed at the 1992 Rio Conference, it is the duty of major economies to **assist the poorest countries in overcoming the impact of climate change on their population**. Two decades later, **solidarity with the most vulnerable countries remains essential**.

SUSTAINABLE MANAGEMENT OF CONGO BASIN FORESTS

Congo basin forests make up the second-largest tropical forest biome worldwide after the Amazon basin, covering 220 million hectares and harbouring the largest biodiversity reserve in Africa.

Across central African countries (Cameroon, Central African Republic, the Democratic Republic of Congo, Equatorial Guinea, Gabon and the Republic of the Congo), forests are a vital source of income for the region's 80 million inhabitants. Since 1997, France has supported the elaboration of sustainable forest management plans, which aim

to reconcile the preservation of natural ecosystems and the need for economic development.

AFD is working on concerted forest management with all types of actors in the Congo basin, including the private sector, public authorities and civil society:

- credit lines are provided to local banks so that they can offer loans to incentivize timber concessions to comply with international forestry standards. Today, the AFD funds 15 businesses with the aim of creating momentum for sustainable forest management;
- grants are provided to non-governmental organizations engaged in preserving protected areas and supporting local populations;
- capacity building and technical assistance are provided to governments regarding the legal framework and the professionalization of the forestry sector.

In the Congo Basin, 39 million hectares of timber concessions have been granted, of which 25 million hectares are engaged in a planning process towards sustainable forest management. About 4.5 million hectares are already certified by the Forest Stewardship Council (FSC).



In the Congo basin, 25 million hectares of forest are engaged in a planning process towards sustainable forest management through French and international cooperation © AFD.

France advocates greater solidarity with the most vulnerable countries

The international community's mobilization will be decisive to help the poorest countries implement their strategies against climate change.

Furthermore, these countries, whose level of development often places them among the least developed countries (LDCs), are important partners in negotiations for the EU.

This solidarity is essential, as environmental disasters in the most vulnerable countries have increasingly worrying consequences. They can lead to **forced migration**, enhance **risks to public health** through the spread of pandemics, cause major **food security** problems, lead to a higher volatility of agricultural commodities and staple food prices, in countries where the cost of food already soaks up almost all the income of a vast majority.



In South Africa, electricity is produced by burning the methane from waste.
© AFD.

SUPPORTING THE SUSTAINABLE DEVELOPMENT STRATEGY OF DURBAN, SOUTH AFRICA

South Africa alone is the source of half the African continent's greenhouse gas emissions.

Since 2004, France, via AFD, has supported the agglomeration of eThekweni (which encompasses Durban), the country's second city, in its long-standing sustainable development strategy (Agenda 21 in 1994, Climate approach from 2004).

The programme assistance, funded by a direct loan to the local authorities, aims to support the strategy and help the town limit CO₂ emissions. Its three main objectives are:

- to support the implementation of a municipal energy control policy and to participate in the financing of selected projects;
- to secure the quantity and quality of the town's water supply;
- to assist the integration of poor populations by supporting sustainable urban planning projects in the poorest areas.



Adaptation, a vital challenge

Adapting to the effects of climate change concerns every nation. But our efforts must be focused on supporting the most vulnerable developing countries.

The framework created by the Copenhagen and Cancun Accords in support of adaptation **aims for a targeted international response to the needs of the most fragile countries.** Our efforts in this area must be closely coordinated with those aimed at mitigation (reducing emissions).

The European Union (EU), the World Bank, the Global Environment Facility (GEF), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the financial actors involved in the fight against climate change, need to agree on these priorities. Since financial resources needed are very significant, **France has been pushing, for several years, for the implementation of innovative financing,** such as the tax on financial transactions and the taxation of emissions from the maritime and air transport sectors.

NIGER: DEVELOPMENT AND MANAGEMENT OF THE BADAGUICHIRI WATERSHED

Niger suffers from the effects of persistent drought which has accelerated the degradation of the natural environment and desert encroachment. This degradation not only has entailed the reduction of the productive potential of “natural resources capital” but also the disconnection between production systems and the management of the natural environment.

The AFD therefore funded an €11 million program aimed at improving the infiltration of rainwater on plateaux and in valleys and at increasing agricultural and sylvicultural production through developing the great watershed of Badaguichiri.

As a whole, the project’s activities should protect and secure water as a resource against being buried by the sands and sediments transported by rainwater runoff. They also contribute to the fight against desertification. The watershed project thus participates in adapting to climate change by improving the resilience of soils and reducing their vulnerability to climate events such as droughts.



Niger © UN Photo/Jeffrey Foxx.

France expressed its solidarity with fragile countries, not only in the negotiations forums, but also in practice by supporting specific sectors which are vital for the poorest nations. This is particularly the case for the **agriculture sector, which must have an important place** in the future international regime. The future negotiations should allow us to respond to the **challenge of access to sustainable energy in the poorest countries**, and the creation of low-carbon development models should be one of the biggest priorities of our cooperation with the developing and least developed countries.

A few countries fear that negotiations might lead to an encroachment on their sovereign management of their natural resources. This should not be allowed. On the opposite, France calls for a system that would equitably reward the sustainable management and preservation of global public goods, like water or forests. **Only a concerted action will allow us to fight climate change in an effective way.**

THE PARIS-NAIROBI CLIMATE INITIATIVE

During an International Ministerial Conference on 21 April 2011, France and Kenya launched the Paris-Nairobi Climate Initiative for access to clean energy in Africa and countries vulnerable to climate change. This initiative aims:

- to provide **strong political support for low-carbon energy projects to facilitate implementation and financing;**
- to support countries vulnerable to climate change in the implementation of low-carbon development strategies which respond to their energy challenges;
- to contribute to the design and implementation of **appropriate financial mechanisms;**
- to promote the timely execution of **priority clean energy projects** in the framework of **nationally appropriate mitigation measures (NAMAs).**

A pilot group was created around Kenya and France with the aim of working on appropriate governance frameworks, of building the capacity of countries in structuring their energy-climate projects and of supporting the execution of clean energy projects with climate financing.



Launch of the Paris-Nairobi Initiative in Paris on 21 April 2011 © Arnaud Bouissou /MEDDTL.



For a new financial architecture

The fight against climate change requires new and additional financial resources which are adequate, predictable and sustainable in order to contribute to mitigation and adaptation.

To address the urgency of the situation, Heads of State and Government committed in Copenhagen to raising \$30 billion of fast-start financing for the period 2010-2012. France has pledged to contribute €1.26 billion over 3 years and is dedicated, alongside its European partners, to providing regular updates on its implementation. Thanks to its Member States, the EU is mobilizing one third of international fast-start financing. In addition, France is increasing its overall financing in support of climate-related investments in developing countries, in particular through bilateral assistance. As such, AFD spent €2.8 billion in 2012 on climate related actions (€8.1 billion between 2005 and 2010), which represents a substantial proportion of international official "climate" financing.

THE FRENCH CONTRIBUTION TO FAST-START

France is making an additional effort of €1.26 billion for the 2010-2012 period (€420 million per year). This is part of its Copenhagen fast-start financing commitment. France has chosen to focus on forests, to which it has dedicated 20% of its financial contribution. The French contribution focuses on most vulnerable countries, (particularly African countries), which have specific needs in terms of adaptation to climate change and access to energy. In addition, the French support includes sector-specific budget assistance which should allow countries to implement their national programmes for the fight against climate change. For the purposes of effectiveness, French fast-start financing is delivered through existing channels for financial assistance, be they multilateral, like the financial mechanism of the climate convention, the GEF and the World Bank Clean Technology Fund, or bilateral, for example AFD or the French Global Environment Facility (FGEF).



Lopé National Park, Gabon © Yves Marie Gardette, ONF.

At the 2009 UN climate talks in Copenhagen, developed countries agreed to raise \$100 billion by 2020 to help vulnerable developing countries adapt to the impacts of climate change and move forward to clean energy economies. These financial resources

will come from public and private sources, in particular from innovative financing and carbon markets. Carbon markets were especially initiated by the Kyoto Protocol with the aim to achieve a cost effective emissions cuts. This model, which accelerates the overall reduction of emissions, was promoted by the European Union through the European carbon quotas system also known as the Emissions Trading System (EU ETS). France is active in various forums which contribute to identify the necessary options to meet the target of \$100 billion (High-level Advisory Group on Climate Change Financing (AGF), the G20 and the Transitional Committee for the design of the Green Climate Fund).

To fight climate change, **we need a coherent and integrated architecture** to meet the diverse needs of developing and least developed countries. To achieve this goal, we need to build on previous experiences both multilateral and bilateral, and to make use of the best practices shared with our national development agencies such as AFD. We encourage the participation of new actors and institutions, such as the Green Climate Fund and the committees that facilitated its creation.

THE WORK OF THE FRENCH GLOBAL ENVIRONMENT FACILITY (FGEF)

The FGEF is a bilateral fund created by the French government in 1994 to support developing countries in implementing strategies and innovative projects which reconcile environmental concerns and economic and social development.

In partnership with public and private actors, the FGEF subsidizes, through minority co-financing, innovative or exemplary operations in the main fields of the global environment, including climate change, biodiversity, international waters, degradation of lands (deforestation and desertification), persistent organic pollutants and the ozone layer.

To fight climate change, the FGEF encourages mitigation projects which reduce or limit the consumption of fossil fuels. It promotes renewable or low-emission fuels, the development of biomass, energy-efficient production systems, improved energy efficiency in consuming sectors (homes, transport, industry and agriculture) and carbon storage in forests and soils. The FGEF also supports projects which aim to strengthen adaptation capabilities regarding climate change in developing countries. Lastly, it plays a part in spreading the clean development mechanisms laid out in the Kyoto Protocol, which make it possible to reduce emissions more cheaply by facilitating clean technology transfer and solidarity between the countries of the North and the South.



Impact of Cyclone Jaya on the rice fields of Madagascar © J.-J. Goussard/EOS France.



More low-carbon technologies

Lastly, it is imperative that the **existing cooperation processes which help spread low-carbon technologies** be improved and consolidated. In particular, best practices and techniques should be developed and shared to improve **energy efficiency, which remains the most effective tool to cut greenhouse gas emissions**. To meet such a global challenge, all available and future technologies will be needed, including **renewable energies, nuclear energy and other low-carbon technologies**, such as carbon capture and storage and clean vehicles.

SUPPORTING LOCAL BANKS IN CLIMATE-FRIENDLY FINANCING

It is vital to quickly mobilize financial resources, particularly in the fields of energy efficiency and renewable energies, where the scale of needs outweighs the capabilities of major international donors. This is why local banks should play an active role in climate financing.

In developing countries, the AFD develops partnerships with local banks because of their capacity to mobilize, orient and act as a catalyst for climate investment, particularly with local businesses. Despite the dynamism and viability of these sectors, barriers to investment remain, including the lack of awareness in businesses and households, overestimation of risks, and poor understanding of public policy in the area. The AFD offers financing and guidelines aimed at reducing these barriers in the long term, by identifying investment potential, selecting the most promising themes and developing an action plan aimed at removing barriers to investment in the country. To foster investment, tools such as incentive loans and custom-tailored technical support is provided.

Climate-related funds disbursed by the AFD are reaching €1 billion, with more than thirty banks in a dozen southern countries, including Egypt, Tunisia, Turkey, Jordan, South Africa, Mauritius, Senegal, China, India, Indonesia and Thailand. Their impact is significant, as the projects financed by these banks will make it possible to cut down CO₂ emissions by an estimated 5 to 7 million tonnes per year.



In China, France is notably supporting the construction of wind turbines © AFD.

The technology mechanism set up by the Cancun agreements will help us meet this challenge and disseminate low-carbon technologies wherever necessary: it will facilitate investments, the sharing of best practices and

public policies, and stimulate research and development cooperation between countries of the North and the South. It will eventually ensure an effective transfer of clean technologies to these countries.

DEVELOPING GEOTHERMAL ENERGY IN KENYA

Geothermal energy is both one of the cheapest forms of renewable energy and one that has very little impact on the environment. Geothermal energy still covers only 0.4% of world electricity needs, but its contribution to national demand can be much higher in countries which have appropriate subsoils, like Kenya. The installed geothermal capacity is of 128 MW (approximately 10% of the current total installed capacity), but potential is estimated at 7,000 MW. Production is currently concentrated on the Olkaria site, about 100 km north-west of Nairobi.

In Kenya, France supports the geothermal sector: AFD finances several projects, via KenGen – the main company responsible for national energy production – to build a 280 MW geothermal plant, but also the Geothermal Development Company

(GDC), a public utility dedicated to geothermal drilling. At the core of its activity stands the initial development of steam fields.

Geothermal energy will thus contribute to an increasingly economical national energy mix with lower greenhouse gas emissions. It will make it possible to secure national electricity supply by reducing dependence on imported fossil fuels.

By this financial support, AFD helps Kenyan government to define and implement an ambitious national strategy to fight against climate change. This strategy offers a development model which is resilient to energy and climate crises and is divided into sector-specific strategies, particularly in the energy field.



The plant at Olkaria, Kenya, supported by the AFD. Power is generated through geothermal energy © PROPARGO.



SUPPORTING THE DEVELOPMENT AND IMPLEMENTATION OF THE MEDITERRANEAN SOLAR PLAN

Launched in July 2008, the Mediterranean Solar Plan (MSP) is one of the six priority projects of the UfM (Union for the Mediterranean). Its objective is twofold: to install 20,000 MW of renewable energy facilities in the countries of the Mediterranean rim by 2020 and to reinforce the links between Mediterranean countries, with the aim of creating a Euro-Mediterranean green electricity market. This regional approach aims at increasing significantly the proportion of energy generated by renewable means in the energy mix of the southern and eastern Mediterranean countries. It will also help reduce their energy dependence, develop the region's abundant solar resources and support the creation of a whole new industry.

France, through the AFD and the FGEF, supports the development of the MSP in several ways:

- it finances studies and technical expertise upstream of the execution of the projects;
- FGEF supports the national public policies of partner countries which promote the development of renewable resources in the energy mix;
- France finances a 500 MW solar plant in Morocco, in the Ouarzazate region. This plant will be the first of a series of five solar complexes totalling 2,000 MW by 2020. This first phase is due to come into service early 2014.



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Directorate-General of Global Affairs,
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Global Public Goods Directorate

Directorate-General of Global Affairs, Development and Partnerships of the French Ministry of Foreign and European Affairs

The missions of the French Ministry of Foreign and European Affairs are:

- summarize information on the changing global economy and put it into perspective, prepare decisions on the French government's foreign policy;
- draft France's foreign policy;
- coordinate France's international relations;
- protect French interests abroad and assist French nationals outside France.

The creation of the Directorate-General of Global Affairs, Development and Partnerships (DGM) in April 2009, as part of the reform of the Ministry, enables diplomacy to anticipate, identify and respond to the challenges of globalisation more effectively.

Confronted with global issues that have a direct impact on the lives of our citizens and multiple actors, the Ministry intends to emphasise the need to tackle global issues, in the firm belief that every major economic, cultural and societal issue calls for collective action with more outward focus, anticipation, interministerial coordination, responsiveness, interdisciplinarity and a resolutely European approach.



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