



ZERO CARBON DEVELOPMENT

Delivering Sustainability Through Action on Climate Change

THE IMPORTANCE OF AN INTEGRATED APPROACH

This is a critical and inspiring time. As the world’s first collective agreement on climate change has entered into force, we have taken an important step in addressing climate change. Now is the time to critically rethink and recalibrate the way we strive to achieve development that is sustainable, resilient and inclusive.

Climate change, in all its complexities, has been unsettling, sometimes devastating lives around the world; prompting us to reconfigure our daily human activities – in our homes and our economies – to the new realities of rapidly changing climate patterns. And yet, we have witnessed inspired and remarkable human ingenuity to uncover solutions, new and old, to address climate change.

The Paris Agreement, together with Agenda 2030 and the Sendai Framework for Disaster Risk Reduction, provide an unprecedented opportunity to create an integrated development approach to foster inclusive, resilient communities with a net zero carbon footprint by 2100. The elegant hybrid approach of the Paris Agreement – bottom-up in that all countries, through their national climate pledges (known as Nationally Determined Contributions, or NDCs), define the way in which they will address climate change and top-down, in that collective ambition must increase every five years – now ensures that individual country development priorities are integrated in the global climate targets.

In support of this transformative shift, the United Nations Development Programme (UNDP) is launching an initiative where we will work with country partners to use their NDCs as a tool for realizing development that is sustainable, climate-resilient and inclusive -- and one where the empowerment of women is integral to success. The initiative draws directly on our 50 years of experience as the UN’s development arm and nearly three decades of delivering climate change mitigation and adaptation projects – most recently as a leader in supporting INDC preparation.

UNDP’s support under this initiative has one central goal: supporting governments to achieve transformative, integrated change, using NDC implementation as a medium to scale up investments in climate change mitigation and adaptation with the specific goal to deliver long-term sustainable development benefits. It will be delivered through six complementary and interlinked building blocks:



BUILDING BLOCKS

Pillar 1 – High-Level Leadership

The Paris Agreement elevated climate change on the policy agenda and secured high-level commitments from leaders. The broad consultative process used during the NDC design process highlighted the importance of high-level champions for the effectiveness of the NDC process. Strong leadership is now urgently required to leverage support across sectors to maintain momentum for NDC implementation and drive integrated climate governance. High-level champions are also key for requiring that climate change is part and parcel of national sustainable development planning.

Through this initiative, high-level leaders on climate change will be recognised and championed – whether public or private sector. Particular attention will be paid to elevate leadership roles for women. South-South exchanges will be used to encourage and support decision makers to adopt and promote ambitious responses to climate change.

SUPPORT AREAS: UNDP will use its substantial in-country presence to foster and support leaders, - male and female-, as they promote a vision for achieving ambitious national and sub-national climate change targets. UNDP can support leaders with independent and informed policy advice that meshes the climate change, energy access and SDG agendas. Finally, UNDP also offers its global network as a mechanism to promote ambitious change-makers on the international stage and within regions.

OUTCOME: High-level leaders supported and championed to build consensus and commitment on an ambitious vision to address climate change within a sustainable development context.

Pillar 2 - Integrated Climate Governance

Our world has become fluid and complex. Institutions must face the challenge of adapting to an ever increasing pace of environmental, political and socio-economic changes. Gone are the days where initiatives can focus on siloed areas of intervention – the cross-cutting nature of climate change requires an integrated, collective development response and increased ownership of a broad range of stakeholders in finding solutions. For NDC implementation, governments may use existing institutional arrangements or put in place new coordination mechanisms as increased coordination will be needed, at different levels of government, and be extended beyond government to non-state actors through consultative processes. This means an integrated approach engaging ministries of environment, agriculture, forestry, planning and finance alongside other key state and non-state actors, where partnership across and between public, private and civil sectors will play a critical role in the initiative's success.

SUPPORT AREAS: UNDP will support efforts for a 'whole-of-government' approach that brings together parliamentarians, relevant lines of ministries, private sector representatives and other development practitioners to create an adaptive response to climate change. Entry points for addressing NDCs and the SDGs in an integrated response, rather than as parallel agendas, will be identified, and low emission development and climate resiliency will be mainstreamed into budget processes, sector programmes, and national and sub-national development planning. We will support the design of climate change policies and legislative and budgetary tools that increase institutional coordination and resource efficiency. Partnerships that engage state and non-state actors will encourage a collaborative and participatory process and encourage stronger ownership of results.

OUTCOME: Governments will have strengthened capacities, institutions and systems to engage, plan, coordinate and deliver their climate targets as part of an integrated and adaptive approach to achievement of the SDGs.

Pillar 3 – Evidence-Based Planning, Design & Implementation

While climate targets can provide the national collective vision for climate-informed development, countries must now define NDC implementation roadmaps that address adaptation and increase mitigation ambition over time to deliver fully transformative and net zero carbon development. These roadmaps will create a virtuous circle of feedback wherein evidence-based, informed decision-making promotes the enabling environment to attract climate-friendly investments, and the underlying systems promote transparency on progress that create trust and further strengthen the evidence base. The roadmaps will be aligned with longer-term strategies for climate-resilient, zero-carbon development within the context of the SDGs and the Paris Agreement.

SUPPORT AREAS: UNDP will support countries to design NDC implementation roadmaps that define and estimate costs for achieving targets and identify and prioritize policies and actions to reduce GHGs while improving energy access and increasing climate resilience. Technical capacities will be developed to assess emission reduction and adaptation potentials that promote sustainable development. Evidence-based policy analyses that integrates climate measures into longer-term sectoral and development planning will be promoted. Efficient monitoring and data management systems will provide the foundation for monitoring progress and making adjustments based on lessons learned.

OUTCOME: Countries supported to make evidence-based decisions and to implement, track and report progress towards climate change and sustainable development targets in an efficient and systematic manner.

Pillar 4 - Smart, Catalytic Financing and Investment

The transformation of economies to be climate resilient and net zero carbon emitters will require enormous new investment as well as shifts in existing finance flows to create a long-term, stable climate-friendly investment environment for delivering action at scale. De-risking frameworks are needed for market-transformative initiatives and the business case demonstrated for zero-carbon, climate-resilient investment. Public-private partnerships must be encouraged to create an environment of trust and help governments to address regulatory and legislative hurdles that are impeding zero-carbon investments. Investment plans must increasingly blend and catalyze traditional and innovative financial mechanisms ranging from grants, loans, carbon finance, and insurance to financial aggregation, micro loans, and crowd funding to scale up climate investments and foster R&D in new technologies and services. Public finance will be used to crowd in private finance through collaborations with national development banks.

SUPPORT AREAS: National stakeholders (both public and private) will be supported to develop investment-ready opportunities that address priorities in NDC implementation roadmaps as well as critical investment barriers. At the core of this work will be the identification and development of projects that attract private investment for market transformations. Countries will be supported to identify and prioritize investment-ready opportunities and apply appropriate financial and policy levers to reduce investor risks. Capacities across a range of ministries will be developed to access, blend and catalyze public and private finance flows and to shift investments in favor of climate-friendly solutions, including research and development. National development banks will be engaged to support climate investments. Least Developed Countries (LDCs) and Small Island Developing States (SIDS) will receive targeted support for strengthening capacities to access grant-based funding, including the Green Climate Fund, and to create opportunities for domestic business.

OUTCOME: Public and private sector capacities developed to design a portfolio of climate-friendly investment opportunities and to blend and catalyze climate finance sources and policy and financial levers to scale up climate action. LDCs and SIDS supported to increase capacities and address climate investment barriers.

Pillar 5 –Public-Private Platform for Climate Action

Private entities – ranging from multinationals, to small and medium-sized companies and households -- are at the heart of a successful transition to a zero-carbon, climate resilient economy. It these actors who drive the invention and diffusion of climate solutions in incredibly diverse ways. Business can make its contributions most effectively within an overall policy framework that is transparent and predictable and encourages competitive market-based options and innovations. The engagement of private entities throughout the NDC process – from design to implementation -- will therefore be critical to foster trust and ensure that private incentives are fully aligned with a country's sustainable development vision. Business platforms [round tables] will be established to create a proactive and participatory approach to identifying the areas in which the private sector can best contribute to NDC implementation and support the transparency and credibility of efforts.

SUPPORT AREAS: UNDP will support countries to establish and/or strengthen business platforms [round tables] to identify entry points for private actors to proactively engage in NDC design and implementation, including how to use the five-year cycles to create a stable investment environment for transformative action on climate within the broader context of the SDGs. Regulatory and policy approaches that can best encourage financial stability and market-based solutions will be identified and adopted. Targeted capacity building of domestic private sector actors will be conducted to raise awareness of the implications of the NDCs and the resulting investment opportunities.

OUTCOME: Public and private sector works in a trusting and collaborative manner to create conditions for competitive, market-based solutions to climate change that also deliver sustainable development dividends.

Underpinning Pillar: Research, Advocacy and Innovation

UNDP recognizes that delivering an ambitious agenda on climate change and sustainable development requires deliberate, calculated investments in testing new ways of triggering change. Our "innovation for development" approach works to pioneer innovation labs with governments and the private sector to re-design public service delivery and to use resulting behavioral insights to facilitate policy-making. Applying these insights alongside more traditional research and policy analysis and evidence from our existing UNDP climate change portfolio will allow governments to have greater confidence in their decisions as they move to the more adaptive, whole of government approach that climate change responses demand.

SUPPORT AREAS: Countries will be invited to apply to test out theories and apply innovative approaches to implementing NDCs. Learning from these efforts will be codified in regular (and widely disseminated) knowledge products; in addition to special flagship publications that support advocacy efforts and trigger further innovation.

OUTCOME: Results and evidence are continually improved through innovation and the analysis of outcomes and impacts on the wider environment. In addition, the initiative will contribute significantly to advocacy, both at international and in particular at country levels, far beyond its actual investment.

UNDP CORE PRINCIPLES FOR TRANSFORMATIONAL CHANGE

Just as UNDP encourages countries to deliver transformational change, so will we as an institution seek to improve and transform, forging partnerships to provide comprehensive and compatible assistance to our country clients, embracing flexibility and innovation, and communicating more often on what we are learning as we are learning. Our implementation approach is anchored on four core principles:

Country-Driven Process. The Paris Agreement is defined by its nationally determined character, enshrining ambition, sovereignty and flexibility. Climate change is a complex problem that requires countries to identify solutions that are customized to domestic circumstances, needs and priorities. UNDP understands that national ownership is the foundation for systemic change. Through this initiative, UNDP will work closely with national governments to plan for and implement their NDCs in a consensus-driven and inclusive manner.

Gender equality and women's empowerment. Women are recognized as critical for advancing key climate measures and, through them, sustainable development. Through this initiative, UNDP will promote gender-sensitive approaches at key entry points in the NDC design and implementation process beginning with the participation of women in decision-making processes and encouragement of gender-responsive institutional frameworks. Reporting of gender disaggregated data will be enforced as a mechanism for defining and implementing gender-responsive strategies. Finally, crucially, specific financing will be set aside to ensure that the climate action work within this initiative encourages and foregrounds gender-responsive outcomes.

Capacity Development. UNDP defines capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time. At its core, UNDP believes that capacity development must bring about transformation that is generated and sustained over time from within. Through this initiative, UNDP will encourage development of capacities that enable institutional and policy reforms. Value is placed on 'best fit' for a context over 'best practice' as one size does not fit all.

South-South Cooperation. Developing countries are advancing their own innovative solutions to climate change, including drawing on indigenous knowledge, which can often be more applicable to countries with the same circumstances and/or constraints than experiences from the North. Through this initiative, UNDP will foster structured peer-to-peer learning between governments, the private sector, academia and civil society. Knowledge and lessons learned will be proactively identified, analysed and disseminated through existing UNDP and partner networks.



IMPLEMENTATION

Focus Countries: Global in scope, to encourage range of capacities and experience, but at least 50% are LDCs and/or SIDS.

Budget: \$100m for initial tailored support in up to 35 priority countries, supported by global and regional activities and structure. Countries will select from the work areas according to their needs and priorities, based upon the budget available.

Timeframe of Implementation: 2017-2023

UNDP, CLIMATE ACTION & SUSTAINABLE DEVELOPMENT

UNDP empowers countries to design their own solutions to national and global development challenges.

Its specific **mandate** to support the achievement of the Sustainable Development Goals means that the realities of addressing climate change lie at the heart of UNDP's work.

UNDP's **vision** is a zero-carbon path that delivers climate-resilient, sustainable development.

Our **mission** is to strengthen the capacities of developing countries to realize that vision. See our climate commitment for more details.

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