



4 March 2014

Challenges for stakeholders Biodiversity and climate change

ALCUE NET meeting Santa Marta

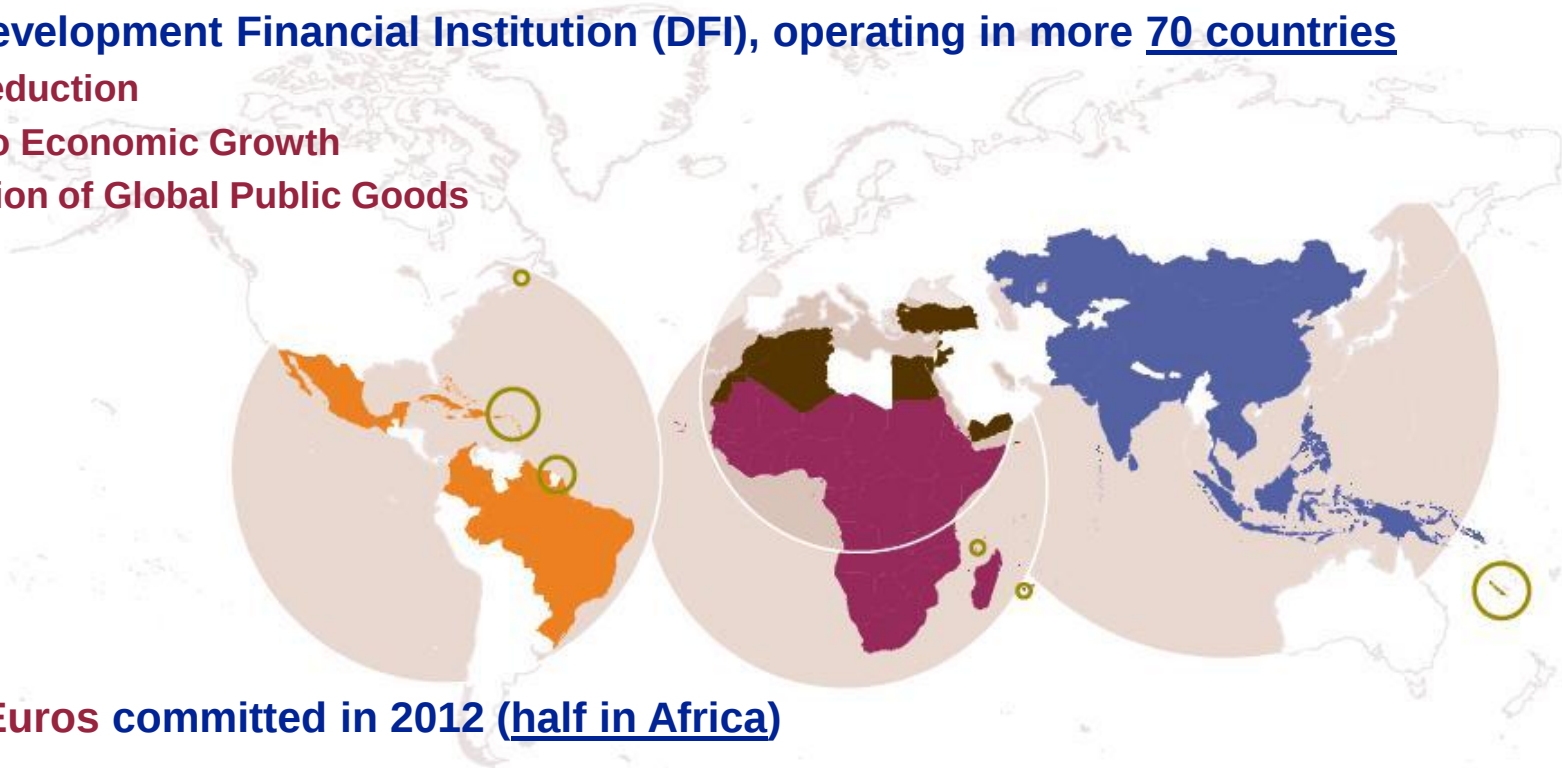
Carl BERNADAC
Director adjunto AFD Países andinos

développeur d'avenirs durables

AFD = Main operator for French bilateral Official Development Assistance (ODA)

■ A public Development Financial Institution (DFI), operating in more 70 countries

- Poverty reduction
- Support to Economic Growth
- Preservation of Global Public Goods



■ 7 Billion Euros committed in 2012 (half in Africa)

■ Diversified tools: concessionnal loans/near market condition loans; sovereign/non sovereign loans; loans to the private sector; guarantees; technical assistance and grants

■ Diversified counterparts: State Governments, Local Governments, Private Sector, Banks, etc.

développeur d'avenir durables



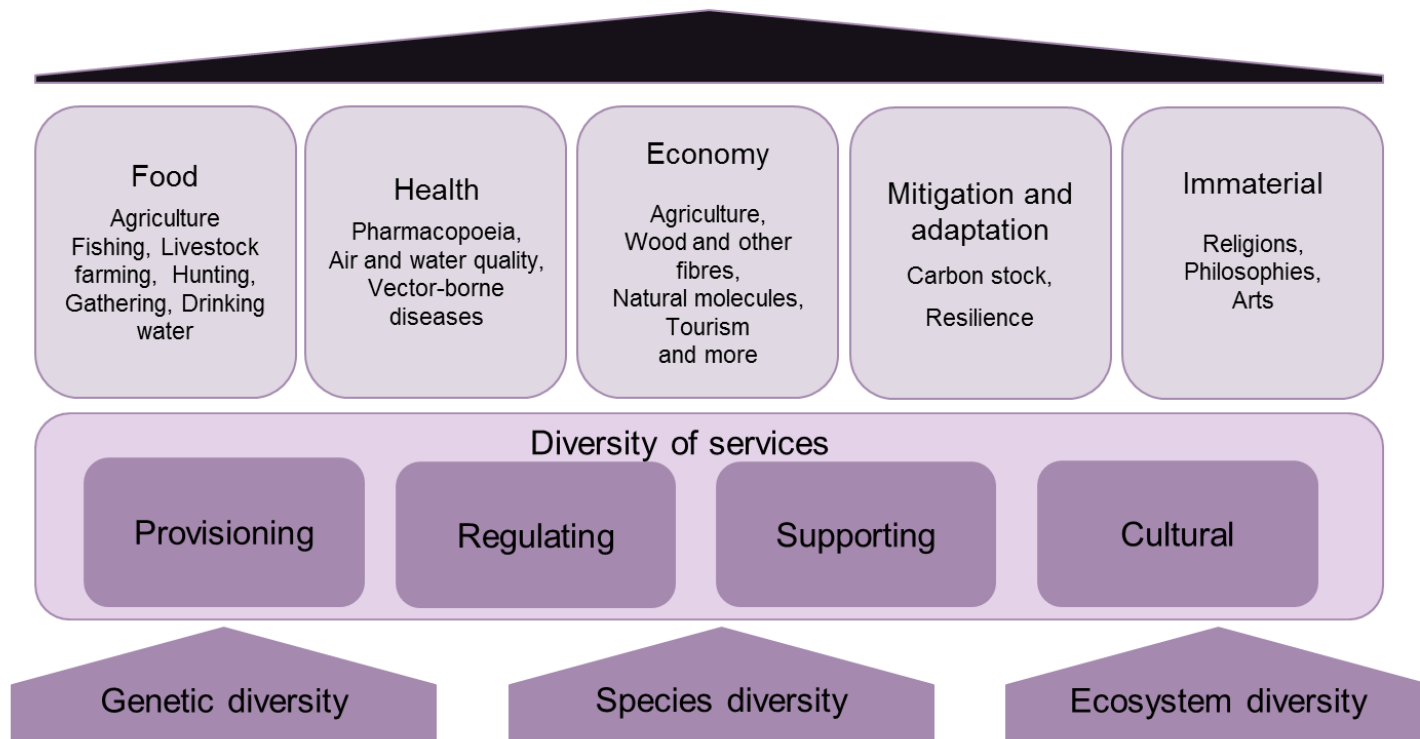
Biodiversity Conservation: a key element for sustainable development

Sustainable Development

Biodiversity is an asset for the sustainable development of developing countries
It contributes to ecosystem resilience, particularly with regards to CC

Global Public Good

Developing countries concentrate and conserve global biodiversity

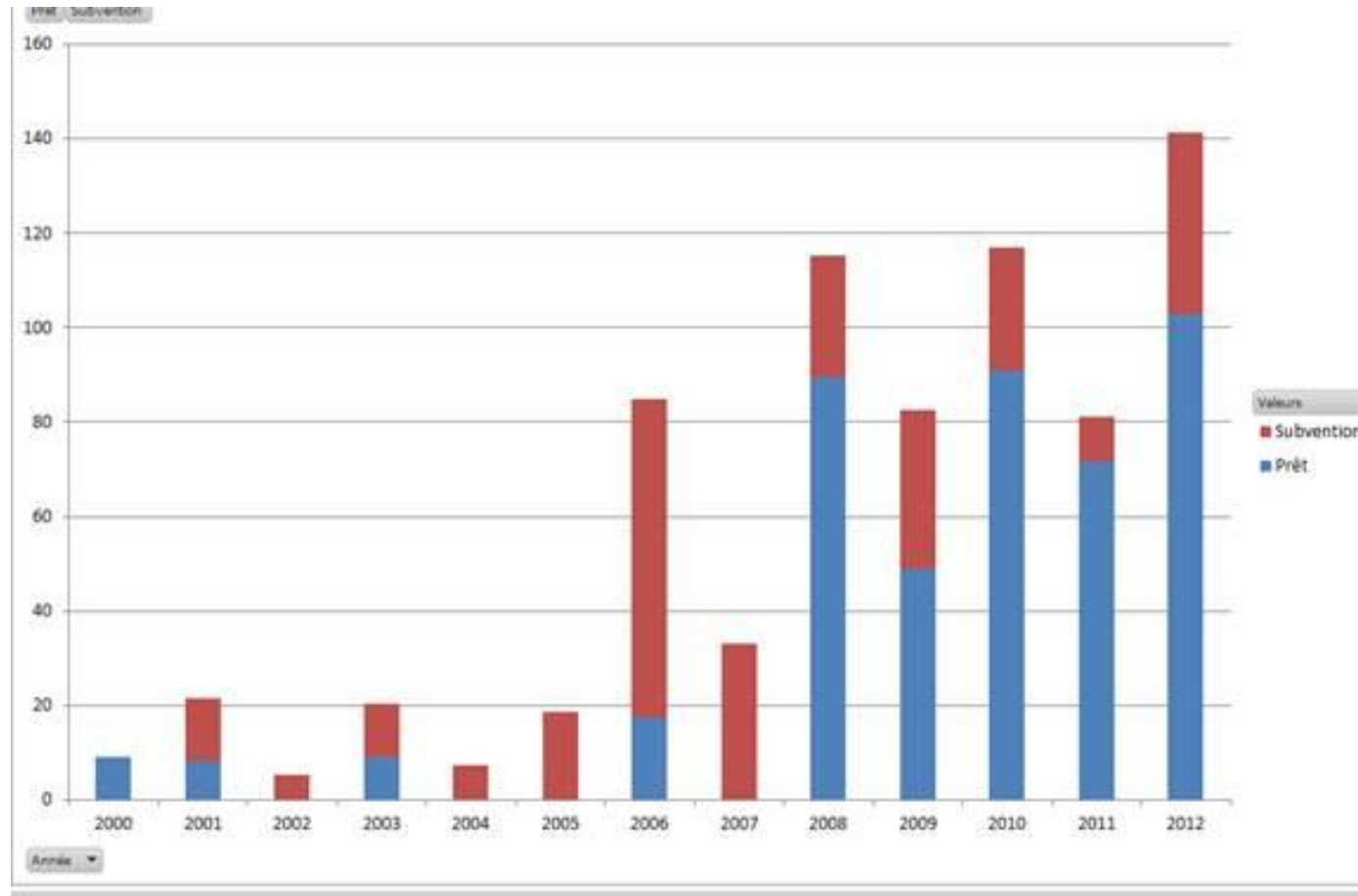


Learning from AFD's Past Work



- For more than 20 years: support to **sustainable management of tropical rainforest** (particularly in the Congo Basin) and **fisheries** (West Africa, Madagascar)
 - From 2003 onwards: expand and improve **management of protected areas** (Madagascar, Mozambique, Morocco, Kenya, Central Africa)
- => « Dedicated projects »**
- Biodiversity progressively recognized as a **cross-cutting issue** to other areas : energy, transportation, agriculture, water management and sanitation, etc. (as for climate)

Total Biodiversity Commitments (2000 – 2012)



In 2012: 141,2 M€

Objective: 160 M€/year in average from 2013-2016

Logical Framework of AFD Biodiversity Strategy

Make conservation and the sustainable promotion of ecosystems a factor in the sustainable development of developing countries and Overseas France

1. Protect, restore and manage ecosystems and share the benefits

1.1. Extend and improve the protection of ecosystems

1.2. Promote biodiversity through the development of sustainable outlets

1.3. Provide sustainable finance for biodiversity protection

1.4. Strengthen policies and institutions for biodiversity

2. Integrate biodiversity into development policies

2.1. Integrate biodiversity protection into the policies and projects of all sectors

2.2. Facilitate private investments that conserve biodiversity

2.3. Share the costs of biodiversity conservation between economic actors

3. Strengthen the partnerships between France and developing countries for biodiversity

3.1. Strengthen ties between France and developing countries on the international stage

3.2. Partnerships with the leading international players

3.3. Internationalisation of French biodiversity players

2nd objective: Mainstreaming Biodiversity into development policies



- Strengthen the consideration given to biodiversity in projects and programmes supported by AFD:
 - Exclusion list and biodiversity
 - Integrating biodiversity into AFD's intervention frameworks
 - Ex-ante analysis of projects financed by AFD Group
 - Sustainable Development Second Opinion (economic development, poverty alleviation, tackling inequalities, **preservation of biodiversity** and climate change).
 - Implementation of offsets (avoidance, reduction and compensation), restoring and producing biodiversity in the various sectors
- Facilitate private investments that improve biodiversity components
- Share the costs of biodiversity conservation between economic actors

Climat change, an environmental issue and a major challenge for development



How to foster the transition to a less carbon and energy intensive economic development?

Sustainability of production and consumption practices, cost and dependence to fossil fuels...



How to enhance economic value of climate services provided by natural resources?

And how to sustainably use a country natural capital...



How to reduce the vulnerability of people and goods to climate change?

Social cost and impact, spacial planning, water management, agriculture and fisheries, climate proofing of infrastructures...

➤ Economic and social **threat** as well as strategic and competitiveness **opportunities** (jobs, technology transfers, knowledge...)

« Climate » projects are development projects with « climate » co-benefits



Mitigation (emissions reduction or carbon sequestration)

« A development project contributes to GHG emissions reduction when the emissions reduction it generates are greater than emissions produced during its lifetime »

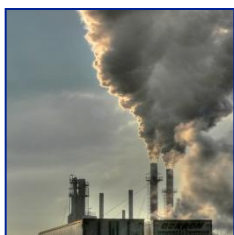
Tracking methodology: based on ex-ante project carbon footprint calculation (should be <0)



Adaptation (to climate change impacts)

« An adaptation project is a development project that reduces goods, people or ecosystems vulnerability to climate risks »

Tracking methodology: based on characteristic of the project and local vulnerability to CC



Support to national and territorial climate strategies and action plans

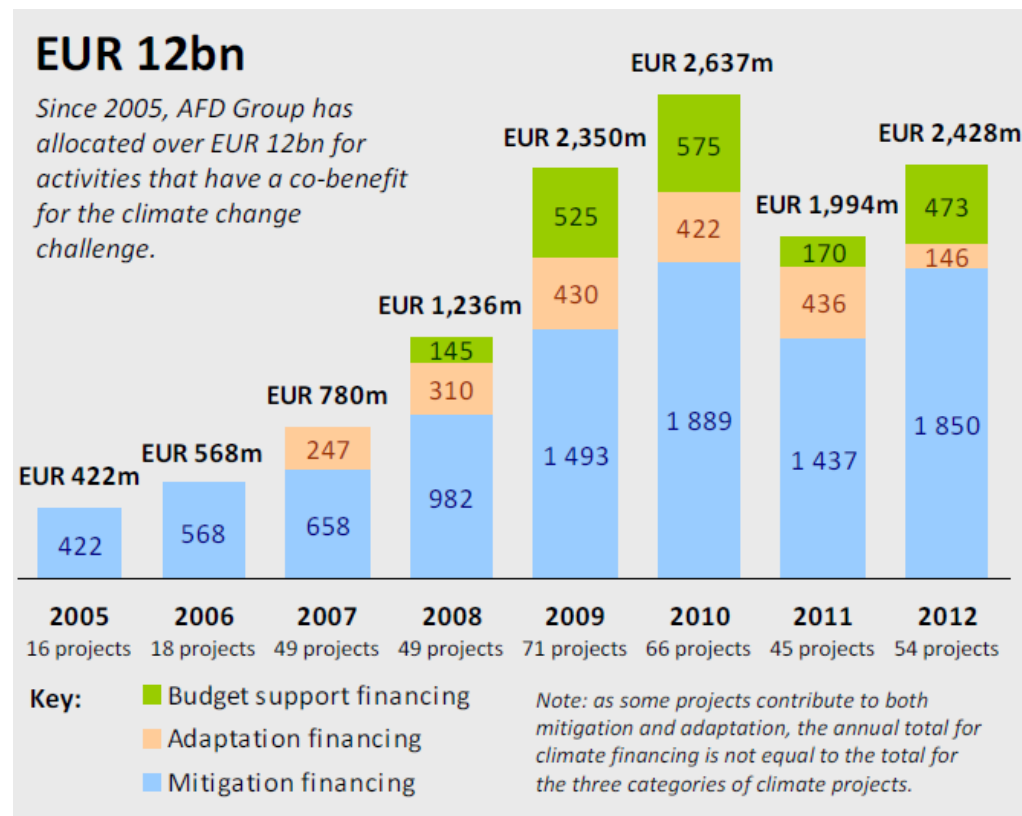
(budgetary support or technical assistance dedicated to develop national strategies, NAMAs, local climate plans...)

Tracking methodology: based on Development Policy Loan's triggers (prorata)

AFD Group is one of the global leading player on climate action

- More than 12 billion euros since 2005 in financing climate related projects (mitigation and/or adaptation)

- AFD Group represent around **10%** of international public funding on climate change action



Our Climate Change Strategy (2012 – 2016)



■ Systematic measurement of projects' carbon footprint (Carbon Footprinting Tool* developed since 2007)

* available at <http://climat.afd.fr>

■ Selecting projects according to their climate impacts (considering countries' development levels)

	Category 1 (SSA, LDCs, priority and poor countries in crisis)	Category 2 (Middle Income Countries)	Category 3 (Countries with Green and Sustainable Growth financing)
MITIGATION projects & projects with NEGATIVE climate impact (between 100 tCO ₂ /year and 10k tCO ₂ /year)	YES	YES	YES
EMISSIVE project (between 100 tCO ₂ /year and 10k tCO ₂ /year)	YES	YES	YES If the host is not concerned in case of environmental non-GM only if the country has an acceptable climate policy
HIGHLY EMISSIVE projects (more than 10k tCO ₂ /year)	YES with conditions on lending concessionaly when the country has an acceptable climate policy	NO unless the country has an acceptable climate policy	NO

■ High level of financing for climate change action (specified by geographical area)

- **50% of AFD's** annual foreign-aid commitments
- **30% of Proparco's** commitments (private sector subsidiary)

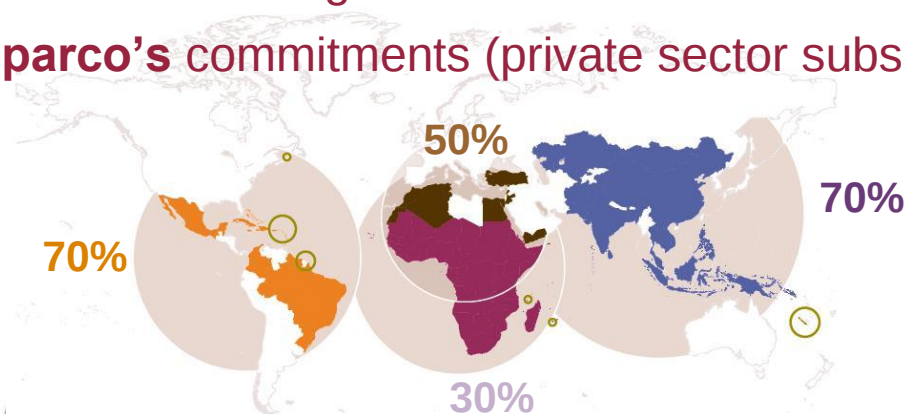


Figure 1

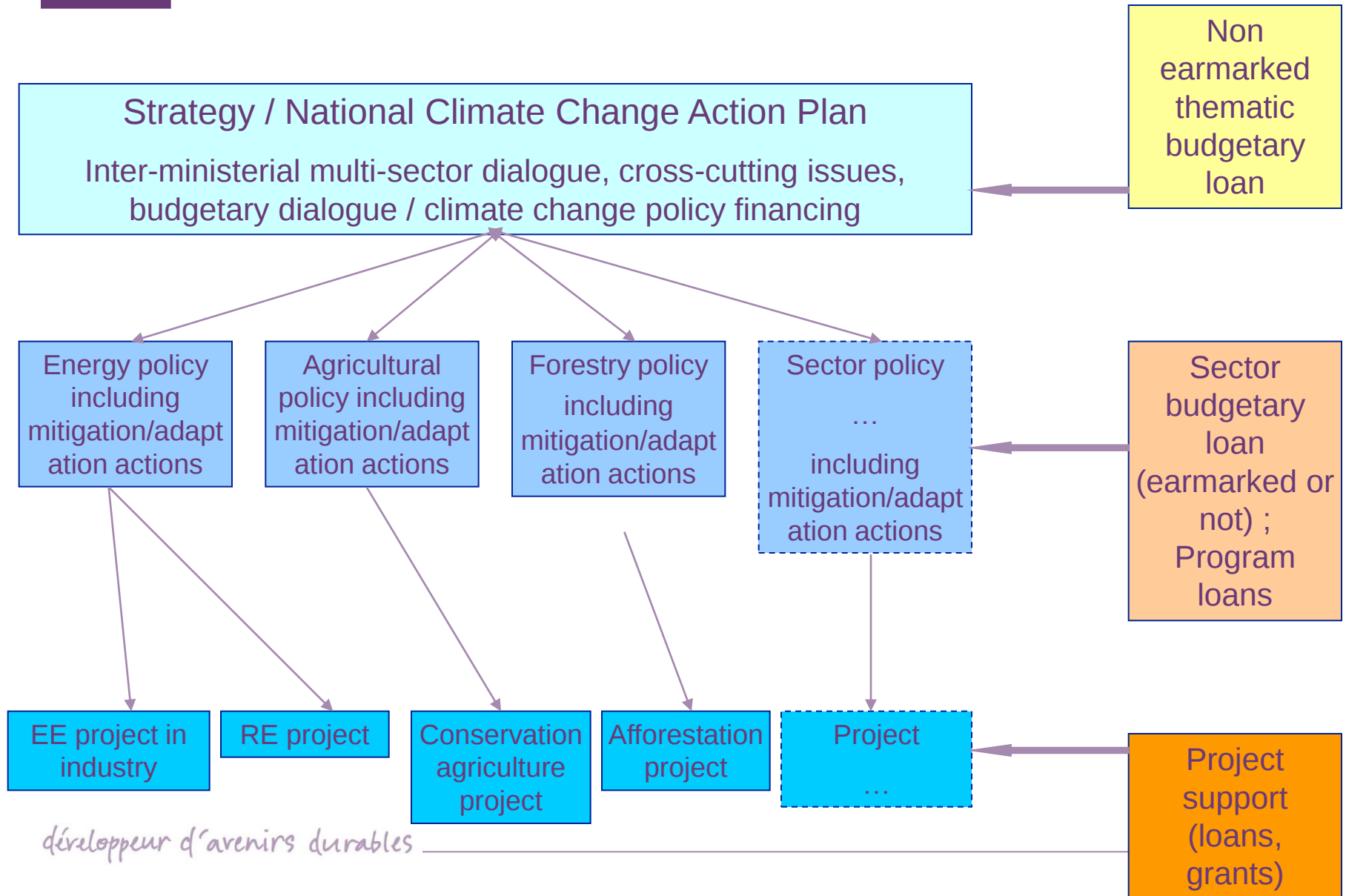
- [illegible]

CC strategy: project selectivity

- **Objective:** to promote enhance climate related consideration during project appraisal
- Consolidate and manage the group's image in accordance with its mandates and its primary role in support of economic and social development of poorest countries
 - Selectivity that focuses on highly emissive projects
 - Selectivity adapted to AFD Group's mandates and to the countries capacity
 - Selectivity that provides more flexibility for countries already engaged in considering climate issue in their public policies

	Category 1 (SSA, LDCs, priority and poor countries in crisis)	Category 2 (Middle Income Countries)	Category 3 (Countries with Green and Inclusive Growth mandate)
MITIGATION projets & projets with NEGLIGIBLE climate impact (between -10kt _{eq} CO ₂ /year and 10kt _{eq} CO ₂ /year)	YES	YES	YES
EMISSIVE project (between 10t _{eq} CO ₂ /year and 1Mt _{eq} CO ₂ /year)	YES	YES	YES if the loan is not concessional. In case of concessional loan, OUI only if the country has an acceptable climat policy
HIGHLY EMISSIVE projects (more than 1Mt _{eq} CO ₂ /year)	YES with conditions on lending concessionaly unless the country has an acceptable climate policy	NO unless the country has an acceptable climate policy	NO

Complementarity of interventions



Thank you

<http://colombia.afd.fr>

bernadacc@afd.fr



développeur d'avenirs durables