Greening EU COOPERATION
Integrating environment & climate change

European Commission

Greening EU Development Cooperation

Crash course - Policy basis and key tools

8 June 2021

Agenda

BLOCK 1

- The **climate and ecological crises**
- Responding to the climate and ecological crises: the **policy basis**
- **Financial commitments**
- **European Green Deal** and its implications for programming
- Aligning programming to the **Paris Agreement**
- Q&A

BLOCK 2

- Promoting **transformative action**
- **Tools** across the Intervention Cycle
- Tools and instruments in the context of **budget support**
- Tools and instruments in the context of **investments**
- **Guidance and support**
- Q&A

The climate and ecological crises

Key facts and figures

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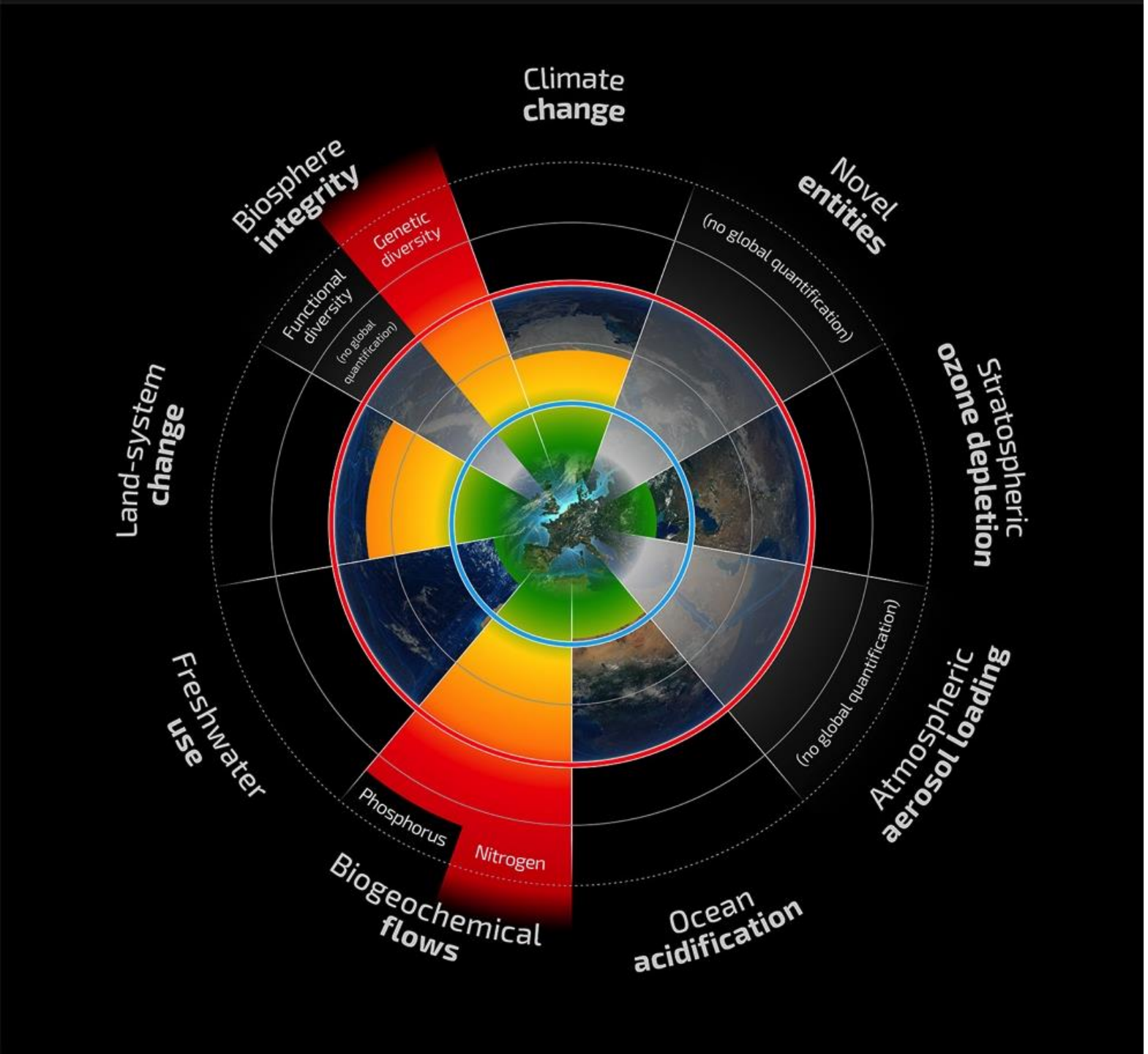

Planetary boundaries

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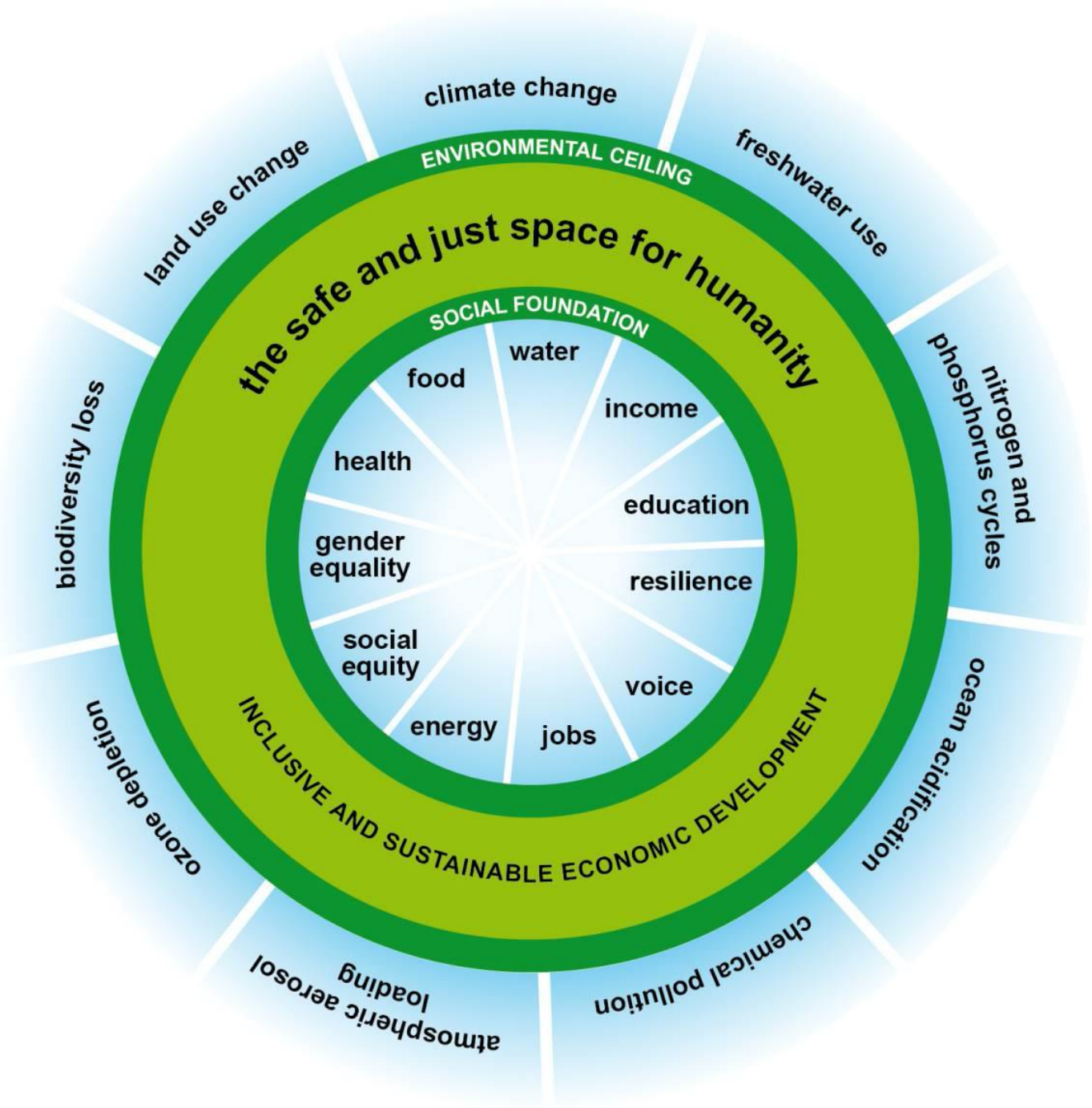

The doughnut economy

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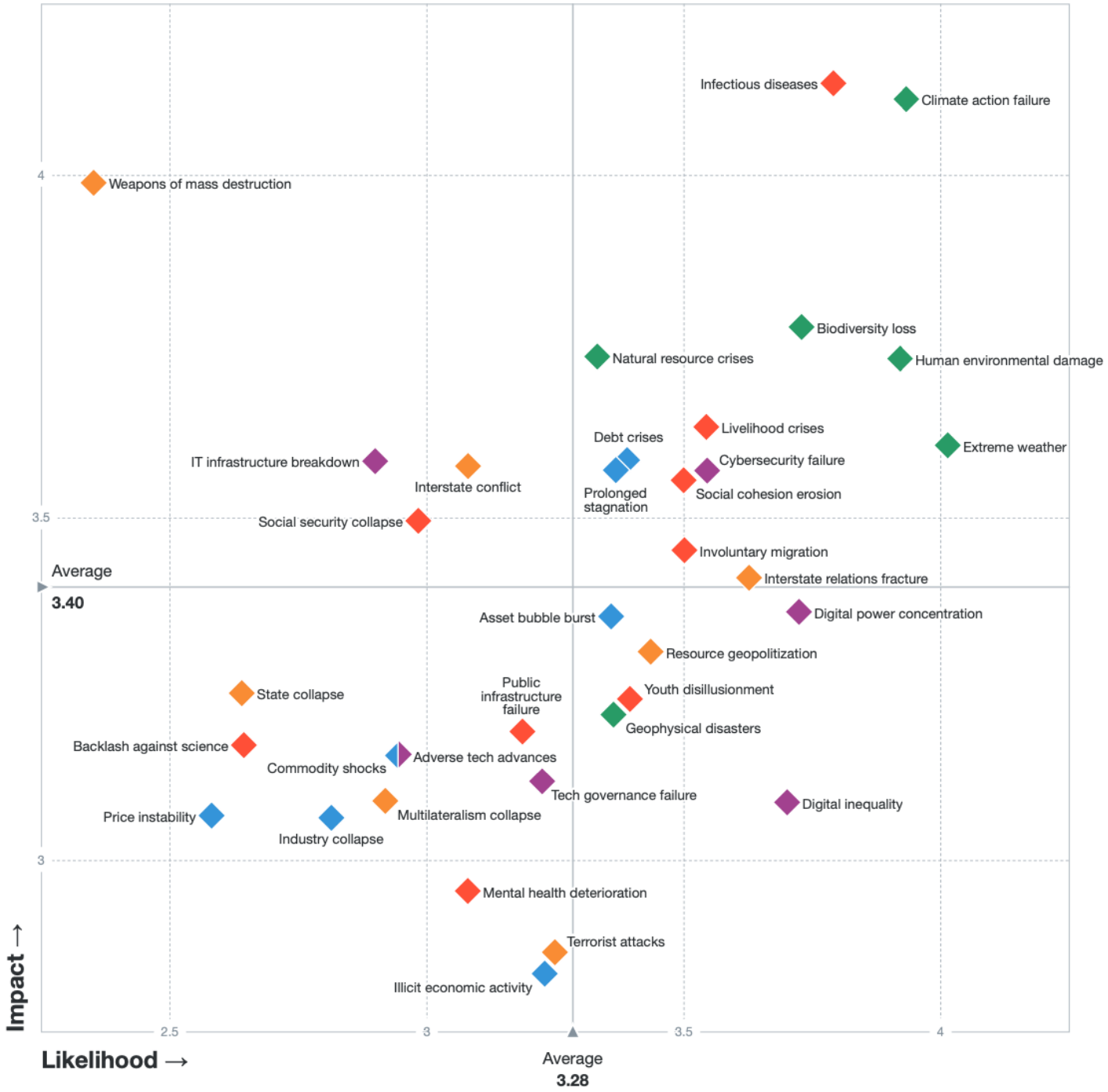

World Economic Forum

The Global Risks Report (2021)

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9.5 billion people by 2050

140 million people are joining the middle class every year

By 2050, 70% of the world’s population will be living in cities, 50% of which are not yet built

The effects of climate change are increasingly being felt

18.8 million new disaster-related displacements (2017), mostly weather-related

We produce about 300 million tonnes of plastic waste each year

60% of the world’s ecosystems are degraded

85% of wetlands present in 1700 have been lost

We may be facing the 6th mass extinction

Making Peace with Nature report (UNEP)

- Environmental changes are undermining development gains
- Well-being of today's youth and future generations depends on urgent and clear break with current trends. The coming decade is crucial.
- Environmental emergencies and human well-being need to be addressed together

- **Economic, financial and productive systems can and should be transformed** to lead and power the shift to sustainability. Need to include natural capital in decision-making, eliminate environmentally harmful subsidies and invest in the transition to a sustainable future
- Everyone has a role to play

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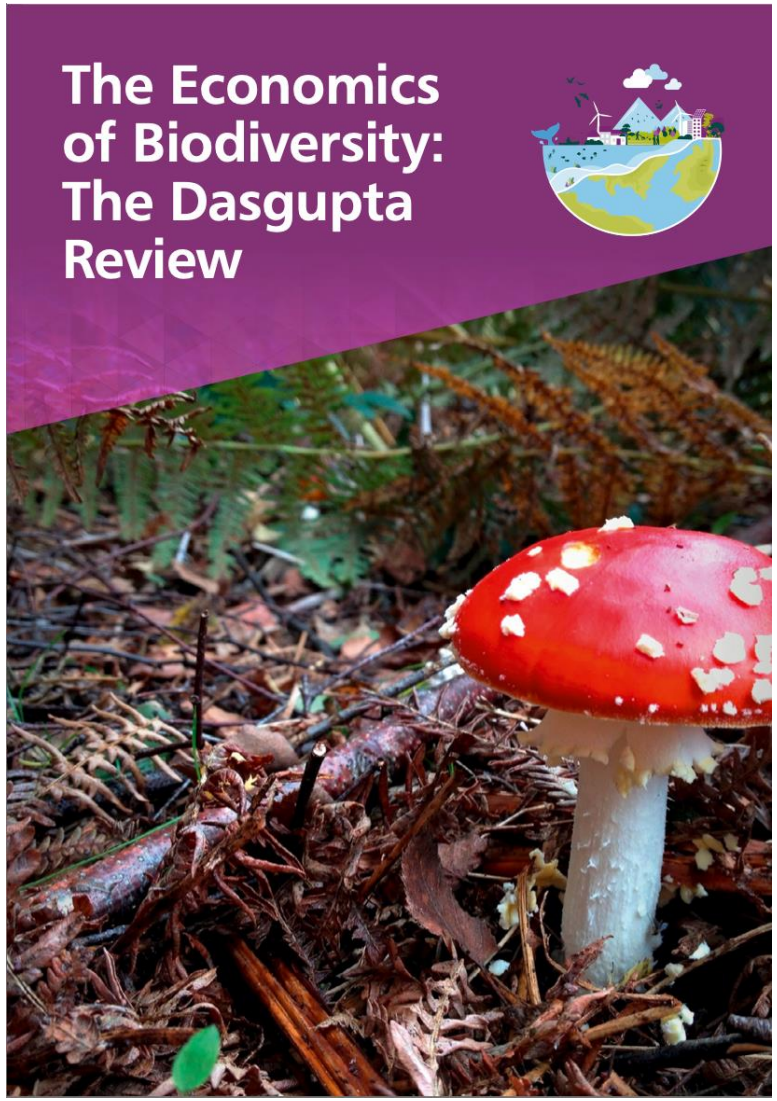
The Dasgupta Review – the issues



- Our economies, livelihoods and well-being depend on nature
- Our demands on nature far exceed its supply capacity
  - **Between 1992 and 2014 produced capital per person doubled; human capital pp increased 13%; stock of natural capital pp declined 40%**
- We are endangering prosperity of current and future generations
  - Extinction rates 100-1000x higher than baseline rate
  - Many ecosystems are degraded beyond repair or at risk of tipping points

- **Institutional failure is at the heart of the problem**
  - US$4 to 6 tn/yr estimated cost globally of subsidies that damage nature
  - We lack institutional arrangements to protect global public goods such as oceans and rainforests

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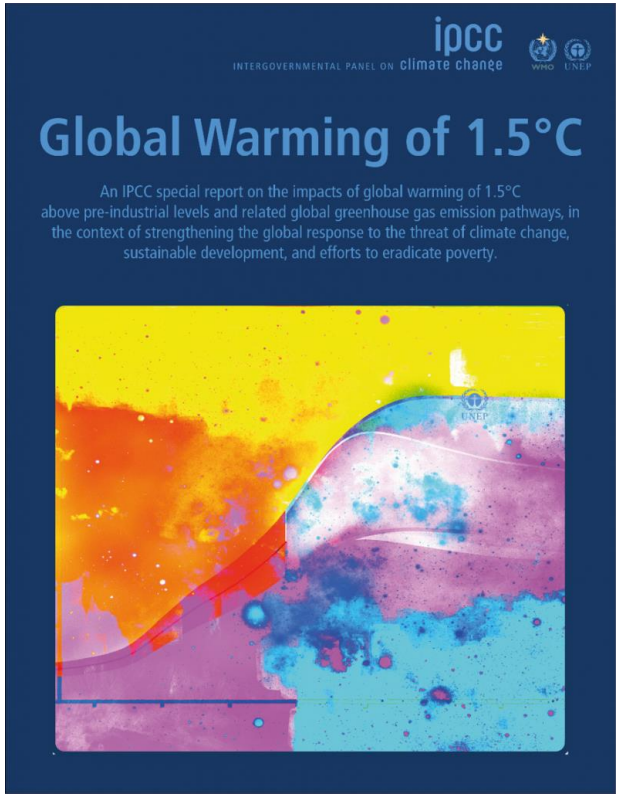
IPCC 1.5ºC report (key findings)

- Human-induced warming reached approx. 1ºC above pre-industrial levels
- Past emissions are unlikely to raise global mean temperatures above 1.5ºC

- Ambitious mitigation actions are indispensable to limit warming to 1.5ºC
- Current NDC are not sufficient
- Must reach net zero CO_2 emissions by 2050 and deep reductions of other GHG, esp. CH_4



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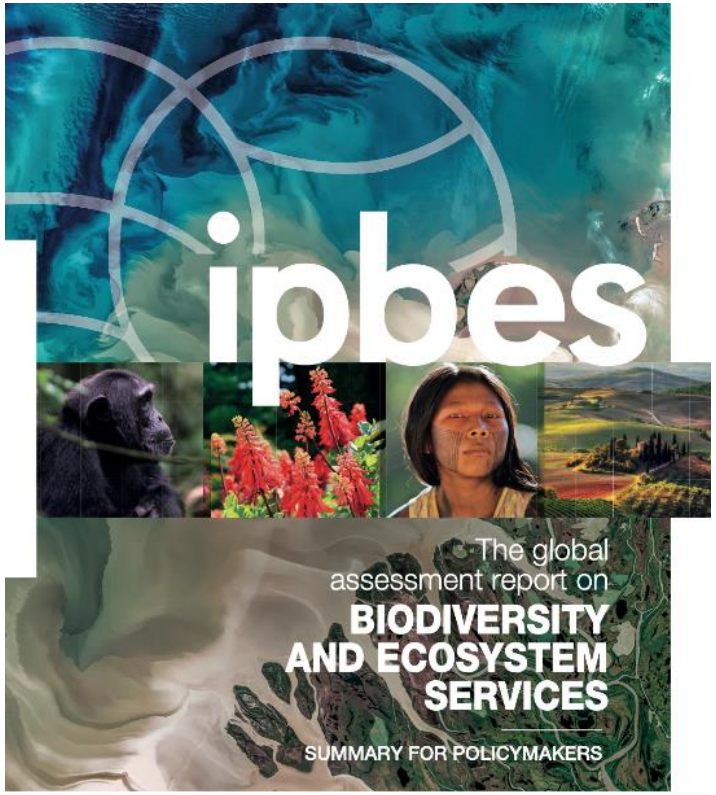
IPBES Biodiversity and Ecosystem Services (highlights)



- Goals for conserving and sustainably using nature cannot be met by current trajectories **Transformative changes** are necessary

- Nature and its vital contributions to people, are deteriorating worldwide
- Direct and indirect drivers of change have accelerated during the past 50 years

Responding to the climate and ecological crisis

The policy basis for transformative action

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The Treaties

Art. 11 of the Treaty on the Functioning of the EU

“Environmental protection requirements must be integrated into the definition and implementation of the Union’s policies and activities, in particular with a view to promoting sustainable development”

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SUSTAINABLE DEVELOPMENT GOALS

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United Nations Framework Convention on Climate Change

Convention on Biological Diversity

UNCCD

The Rio Conventions

- EU committed to support the implementation of the UN Rio Conventions
- Framework Convention on Climate Change (UNFCCC) and the Paris Agreement
- Convention on Biological Diversity
  - **Aichi Biodiversity Targets** - Strategic Goal A: *"Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society"*
  - COP13 (2016) and COP14 (2018) promoting mainstreaming of biodiversity into different sectors.
- Convention on Combating Desertification

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The European Consensus on Development

- Emphasises implementation of **Agenda 2030** and the **Paris Climate Agreement**
- Promotes **integration of environment and climate change** in all development cooperation sectors
- Promotes **resource use efficiency**, sustainable consumption and production, uncoupling of economic growth from environmental degradation
- Promotes integration of environment in **policy dialogue**
- Supports implementation of **NDCs**
- Promotes clean energy, sustainable agriculture, IWRM, resilient infrastructure, green and circular economy...

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The European Green Deal

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Financial commitments to environment and climate action

One manifestation of the new ambition

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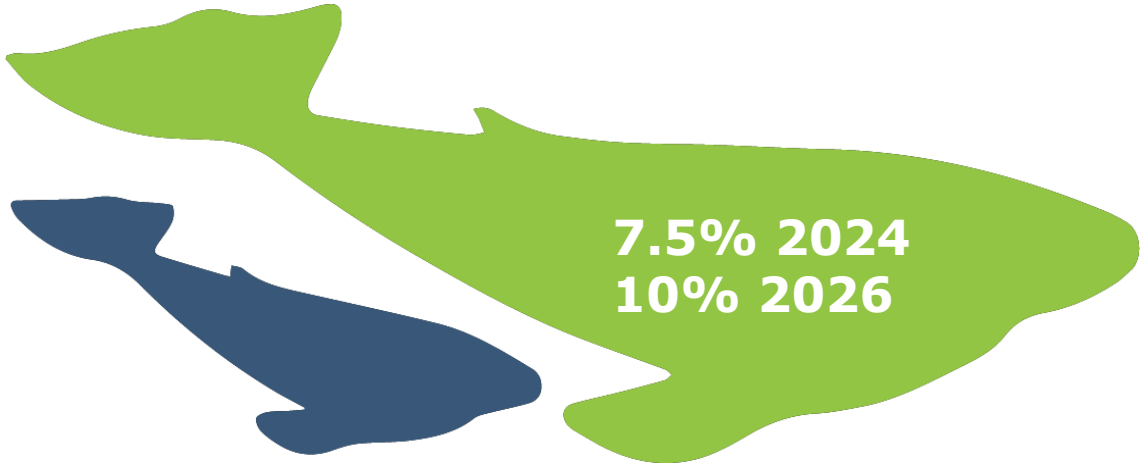
Spending targets 2021-2027

Climate change

***18% for IPA3**



Biodiversity

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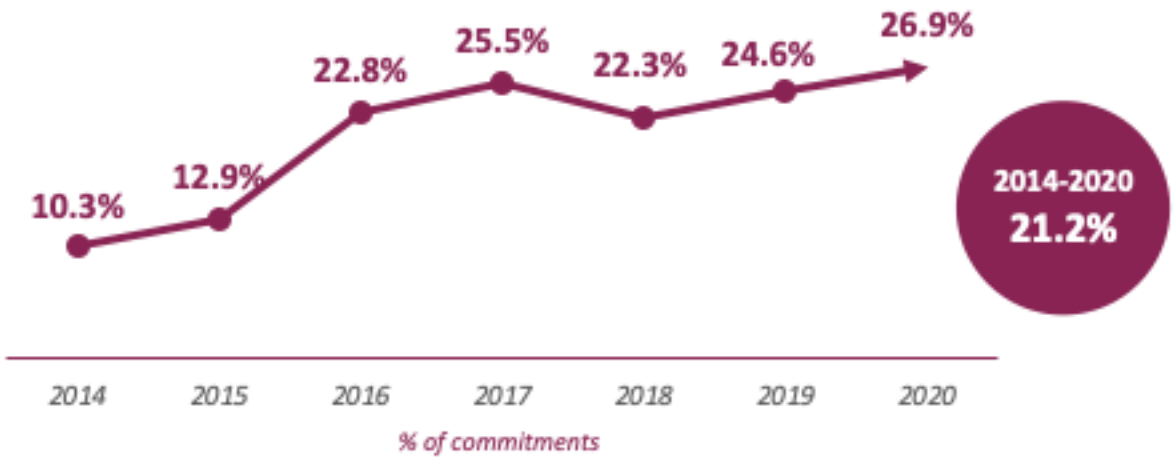
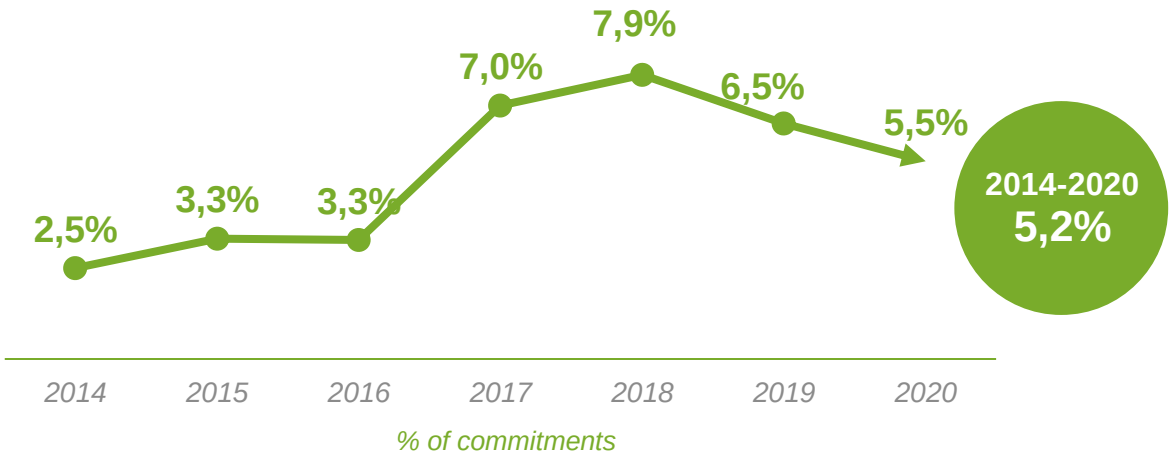
How did we do in 2014-2020?



Climate change



Biodiversity

* Data for DEVCO/INTPA-managed actions

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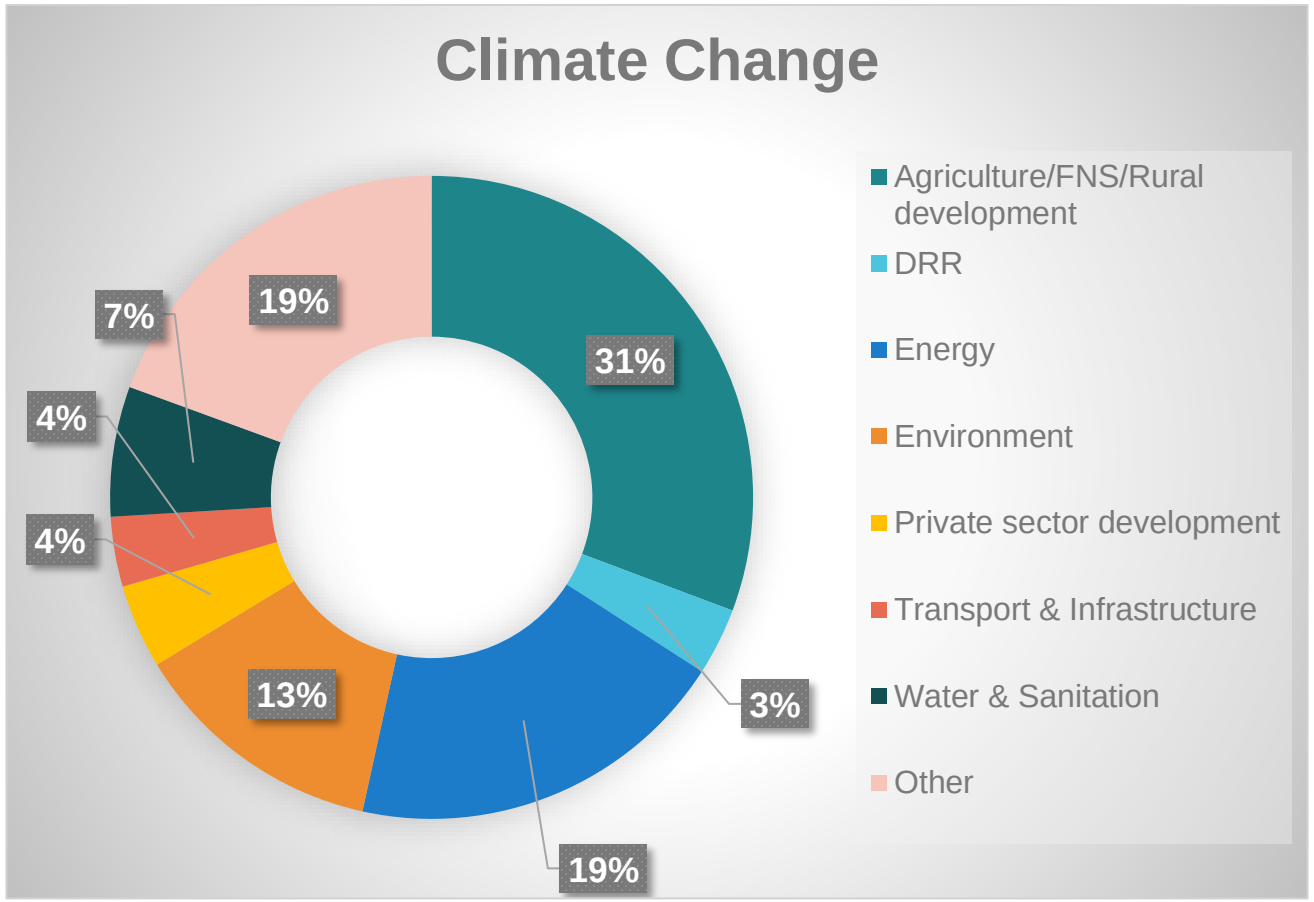
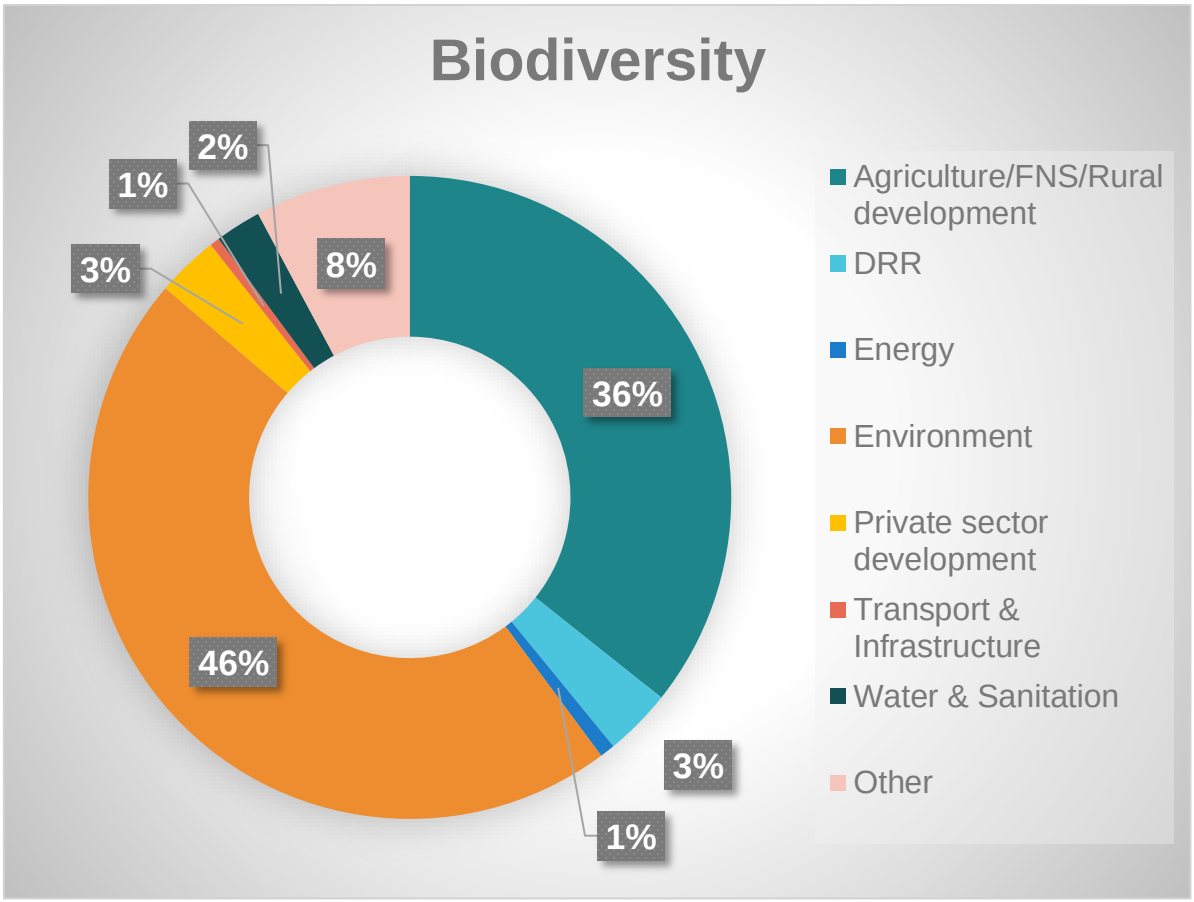
Where did the contributions coming from?





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How do we measure contributions?

The European Green Deal in action

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European Green Deal: EU ambitious roadmap for economic and social transformation toward climate neutrality and resource efficiency

"The European Green Deal is our new growth strategy. It will help us cut emissions while creating jobs."

Ursula von der Leyen, President of the European Commission

"We propose a green and inclusive transition to help improve people's well-being and secure a healthy planet for generations to come."

Frans Timmermans, Executive Vice-President of the European Commission

By using the European Green Deal as our compass, we can turn the crisis of this pandemic into an opportunity to rebuild our economies differently and make them more resilient," the Commission president said.

A FAIR AND GREEN TRANSITION TO BUILD BACK BETTER

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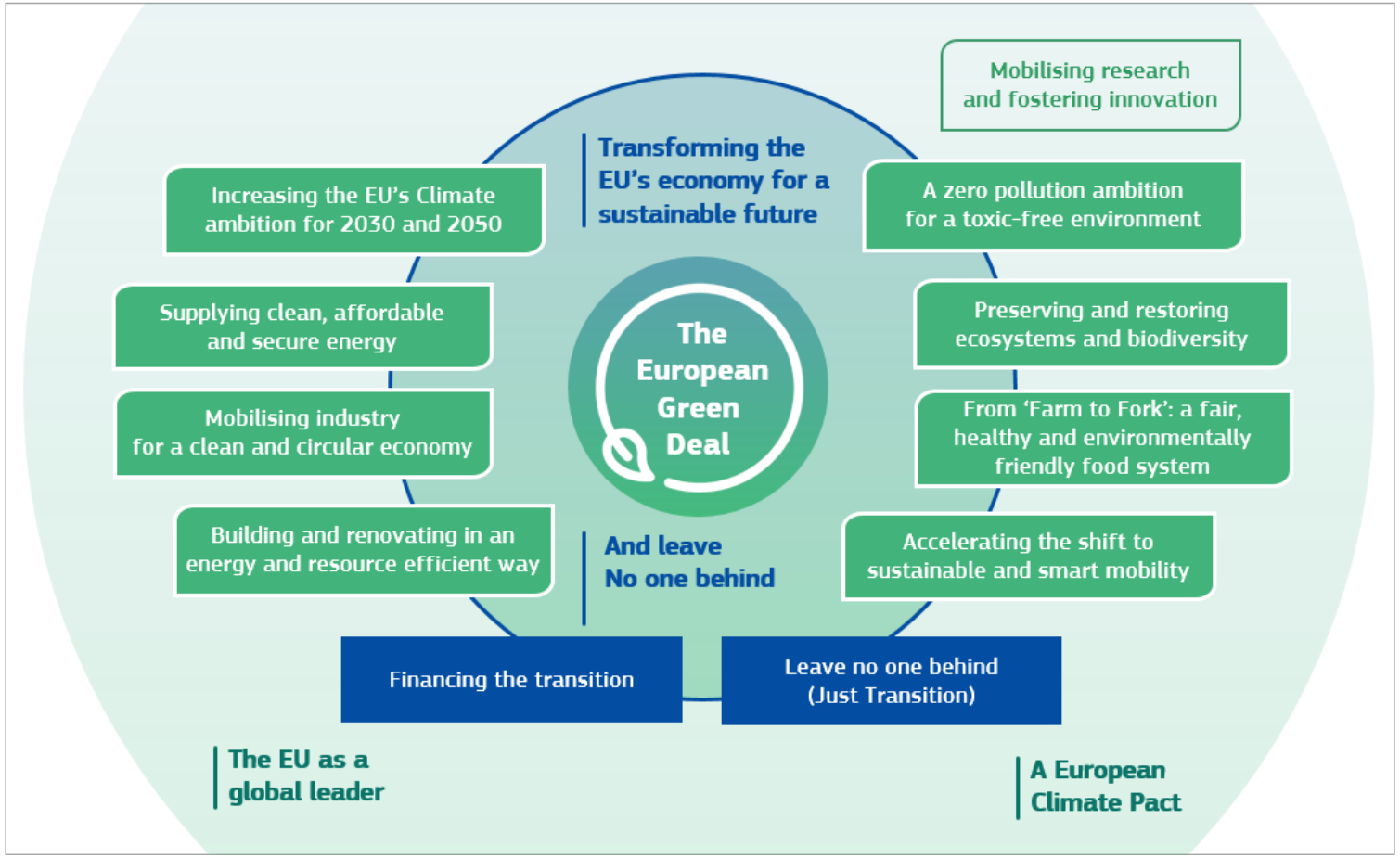
A very comprehensive strategy…

Three pillars:
Climate – Biodiversity - Pollution

Covering all policies
energy, transport, industry, trade, agriculture… but also education…

And **mobilising all tools**:
regulations and standards, policies, investments, taxation, research, diplomacy



Going beyond the EU

- Continue to **promote and implement ambitious environment, climate and energy policy** across the world
- Convince and support partners **to take their share** through diplomacy, trade policy and development support
- EU set standards – **Market leverage and EU expertise** to increase norms and standards in partner countries
- Engage on the phasing out of fossil fuel subsidies
- Make the **respect of the Paris Agreement** an essential element of all future comprehensive trade agreements
- **Work with Africa** to bring climate and environmental issues to the center of our relations. Proposal to launch NaturAfrica. And engage with other regions.
- **Set up a Green Agenda for the Western Balkans** and establish environment, energy and climate partnerships with the **Eastern Partnership and Southern Neighbourhood**

Where are we?

- **European Green Deal**
  11 DECEMBER 2019
- **Investment plan and just transition mechanism and European climate law**
  14 JANUARY 2020
- **European Industrial Strategy**
  10 MARCH 2020
- **Action plan on circular economy –** on sustainable use of resources
  11 MARCH 2020
- **Farm to Fork Strategy** on sustainable food systems
  20 MAY 2020
- **EU Strategy 2030 on Biodiversity** to protect fragile natural resources on our planet
  20 MAY 2020
- **EU strategies for energy system integration and hydrogen**
  8 JULY 2020
- **2030 Climate target plan**
  17 SEPTEMBER 2020
- **Renovation wave, Methane Strategy Chemicals strategy for sustainability**
  14 OCTOBER 2020
- **Offshore renewable energy**
  19 NOVEMBER 2020
- **Climate Pack**
  9 DECEMBER 2020
- **Adaptation strategy**
  24 FEBRUARY 2021
- **Sustainable finance**
  21 APRIL 2021
- **Zero Pollution Action plan**
  12 MAY2021
- **Blue economy**
  17 MAY2021

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Implementation: greening our cooperation

- **To be translated in the future programming through specific programmes and mainstreaming +**
  - All policies and actions must contribute (do no harm- do good)
  - Enhanced focus on transformative sectors/areas
  - Greening across the board, using a number of processes and tools:
    - Diplomacy and policy dialogue
    - Budgets and PFM
      finance agenda
    - Capacity development
    - ” Investment and finance – the sustainable
  - Joint programming and Team Europe Initiatives as preferred options
  - Currently many GD related proposals across MIPs but **need to be consolidated to deliver on the ambitions** (policies and MFF related targets)

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Alignment of EU cooperation to the Paris Agreement

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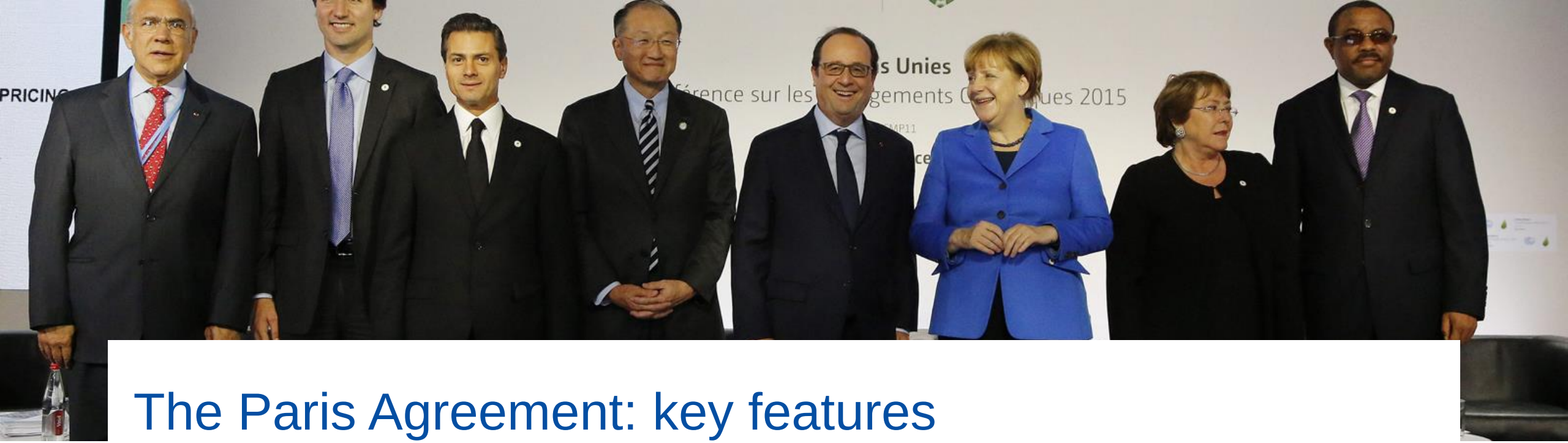

The Paris Agreement: key features

- Multilateral agreement with largest coverage
- Objectives of the Paris Agreement (mitigation target; adaptation goal; finance)
- Nature of the Agreement (difference with the KP)
- 4 main topics: mitigation, adaptation, support, transparency & compliance

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EU delivering towards climate neutrality

- The EU via the EU Green Deal and other policies **supports Parties to enhance their climate ambition** and increase clarity, transparency and understanding/implementation of their **NDCs**
- The EU recognises **adaptation and resilience** to climate change and environmental degradation are a matter of priority (**EU Council 25 Jan 2021)**
- The EU and its MS confirm their commitment to further **scale up mobilisation of international climate finance** and **move away from fossil fuels**
- The EU promote fiscal, trade, macroeconomic policies contributing to climate change objectives

Current Support to PA goals and processes (NDCs)

- Support to **NDC revision**
- **Dedicated programmes supporting NDC implementation and MRV systems**: Global Climate Change Alliance+ (750M€; 90 countries since 2007), EUROCLIMA+ (LA), SPIPA.
- Launch of a **NDC TA Facility** (service contract 5 years from ~ Sept 2021) to *support design, update and implementation of partner countries' NDCs, Long Term Strategies (LTSs) and National Adaptation Plans (NAPs) in the context of Paris Agreement, Sendai Framework and 2030 Agenda*
- Support to subnational **low emissions and adaptation strategies** (e.g. Covenant of Mayors, URBAN LEDS)

Support Adaptation and DRR

Articles 7 and 8 of the Paris Agreement: *enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, minimising and addressing loss and damage associated with the adverse effects of climate change, including extreme weather events*

- New **EU Adaptation Strategy** with clear external dimension:
    - Key elements: increase investments towards adaptation and resilience, contribute to disaster risk management
- Main axis of current INTPA support to DRR (in relation with the Sendaï Framework)
    - **Understanding disaster risk**
    - **Strengthening DRR governance**
    - **Investing in DRR**

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What about NDICI Global Europe – PA and NDCs?

Article 29
Excluded activities

Union funding under this Regulation shall not support actions and measures that:

(a) may result in violation of human rights in partner countries;

(b) **are incompatible with the recipient country's Nationally Determined Contribution under the Paris Agreement, or that promote investments in fossil fuels**, or that, according to the environmental screening and impact assessment, cause significant adverse effects on the environment or the climate, unless such actions or measures are strictly necessary for achieving the objectives of this Regulation and they are accompanied with appropriate measures to avoid, prevent or reduce and, if possible, off-set these effects, including support to phase out environmentally harmful fossil fuel subsidies.

Focus on delivery: Supporting implementation of NDCs

- 2019: Based on latest IPCC scientific evidence and COP24 outcomes, DEVCO Senior Management's decision to **explore options** to support the implementation of the Paris Agreement in partner countries by focusing on NDCs
- Outcome: **dedicated methodological note**
- Two pillars:
  - Enhance climate and environmental mainstreaming across the EU's policies, strategies, investments and projects
  - Where possible, establish climate change relevant sectors as a bilateral/regional area of cooperation by focusing on the sectors covered by countries' NDCs and beyond.

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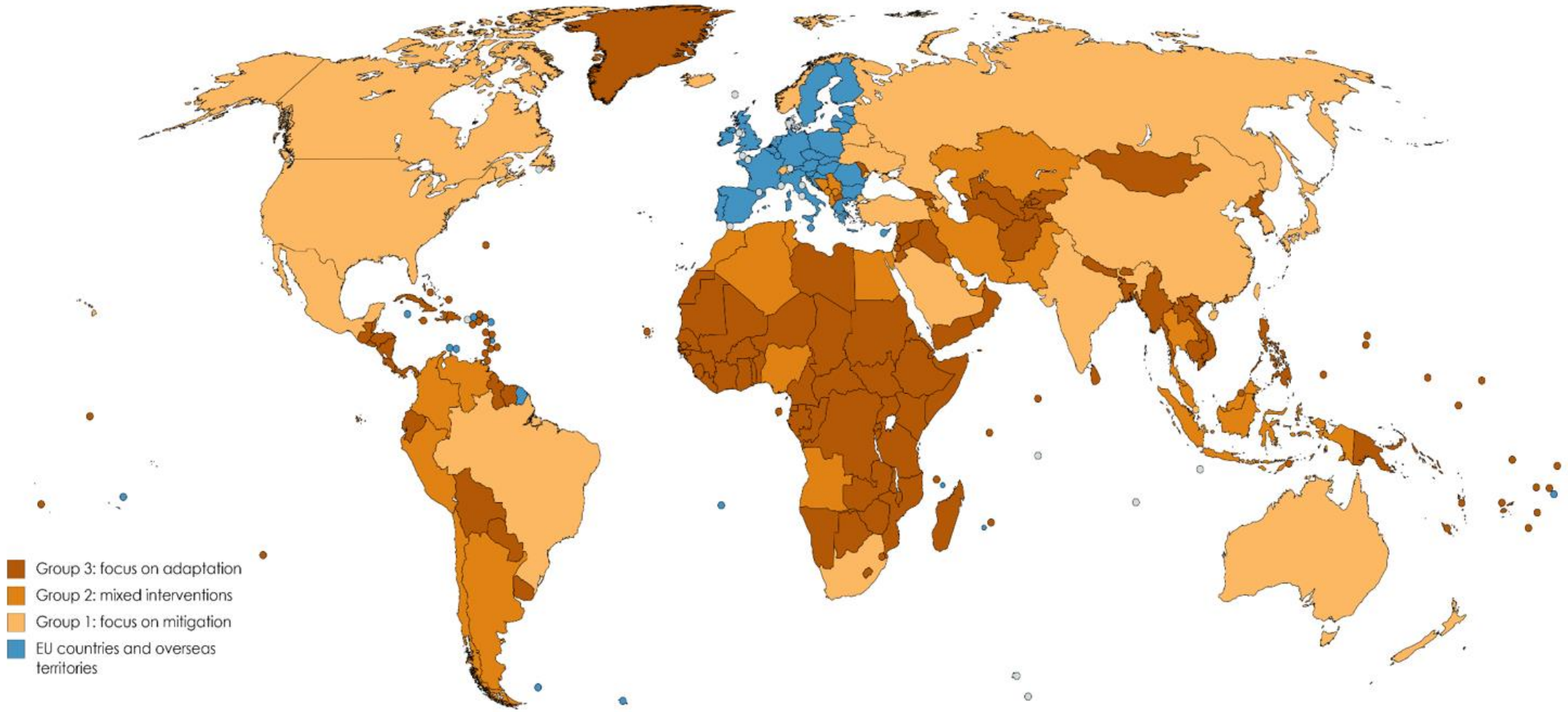
Focus on delivery: Supporting the implementation of NDCs

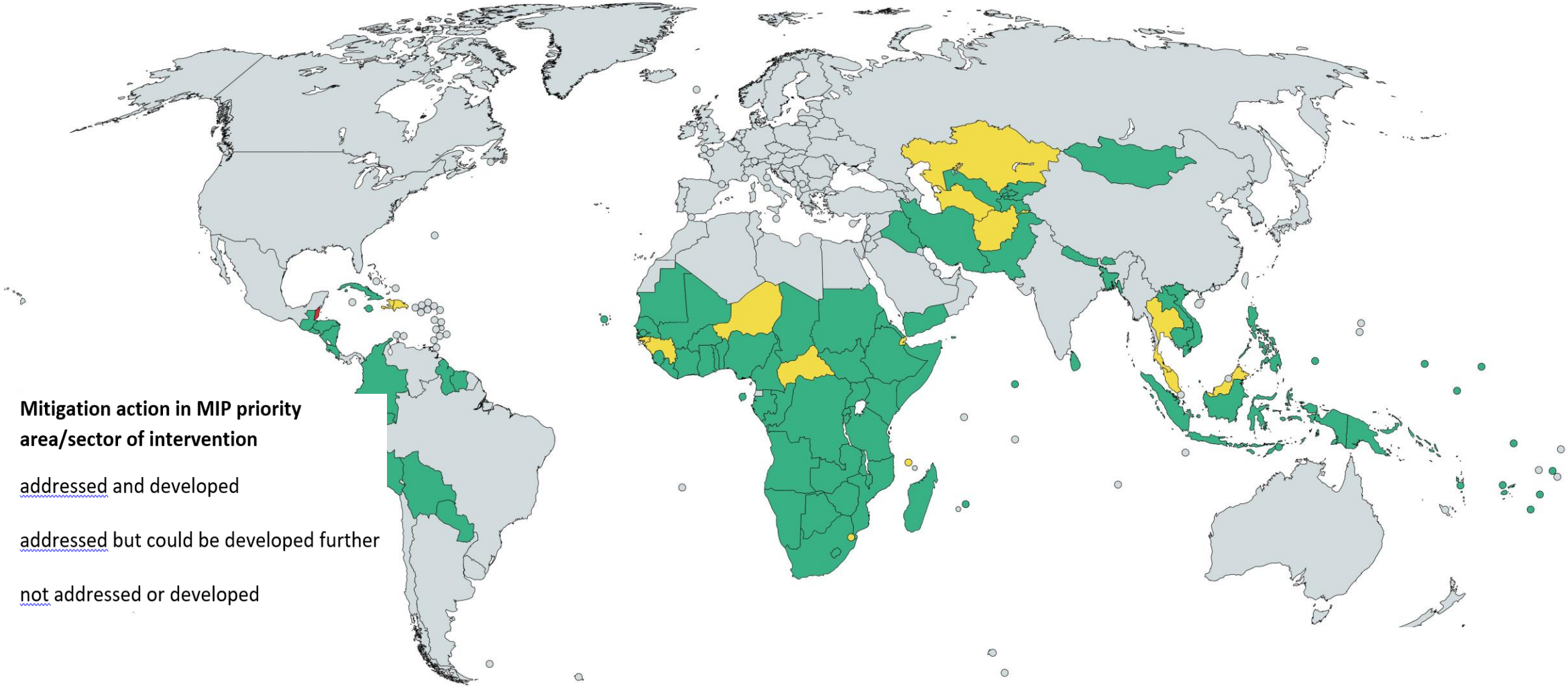
A step-wise approach:

- Step 1: Analysing a country's NDC
- Step 2: Defining the type of country (3 broad groups)
- Step 3: Identifying potential areas of intervention
- Step 4: Defining which component of the NDC to support
- Step 5: Defining the potential role of sectors not listed in the NDC in supporting NDC-related climate and environmental objectives
- Step 6: Defining the interventions to support NDC implementation

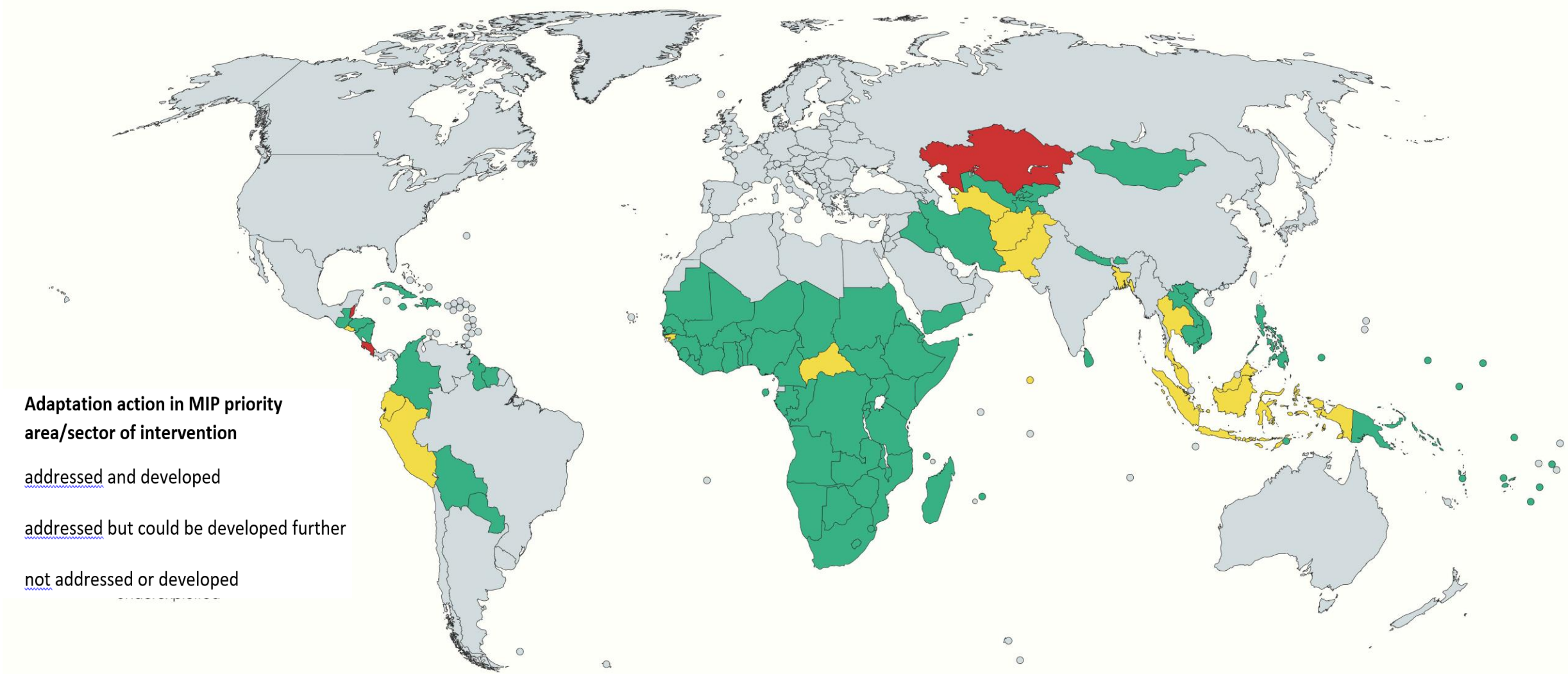
EU Partnerships: Climate Change possible focus by country



Draft MIPs – Mitigation

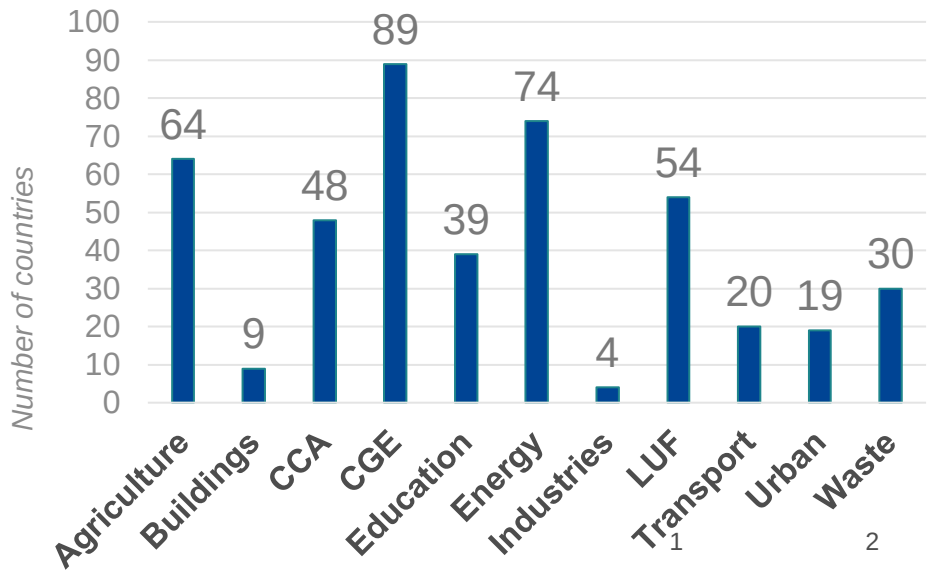


Draft MIPs – Adaptation

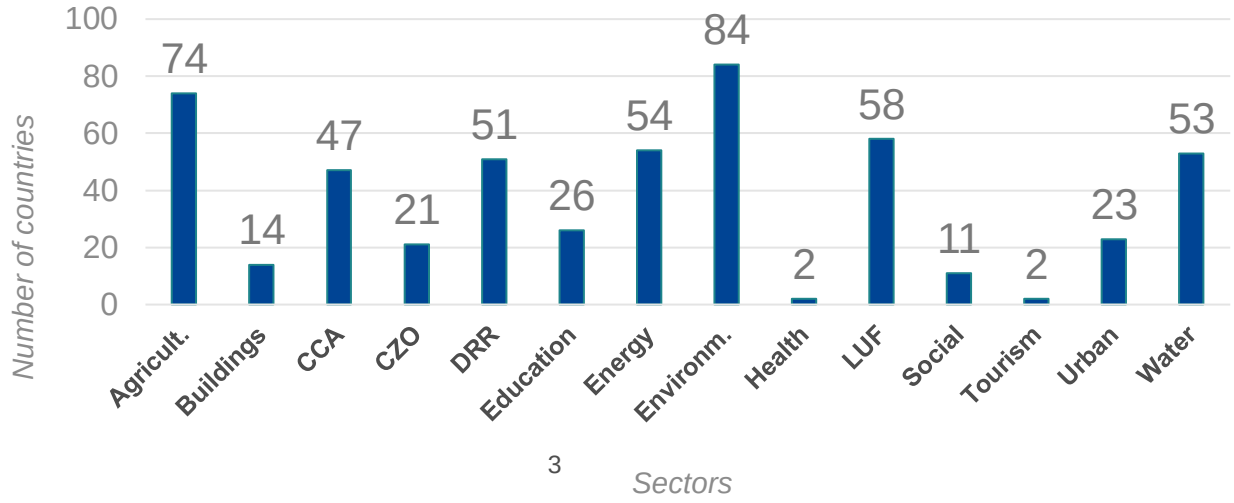


Priority areas/sectors of intervention: distribution across Draft MIPs

Mitigation action (explicit & implicit) across sectors covered in MIP priority areas (98 countries)



Adaptation action (explicit & implicit) across sectors covered in MIP priority areas (98 countries)



[1] Cross-cutting areas (i.e.climate action mngt)
[2] Clean, green and circular economy
[3] Land use, land-use change, forestry

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Promoting transformative action

Beyond “do no harm”

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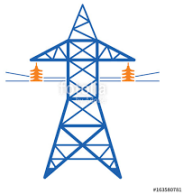
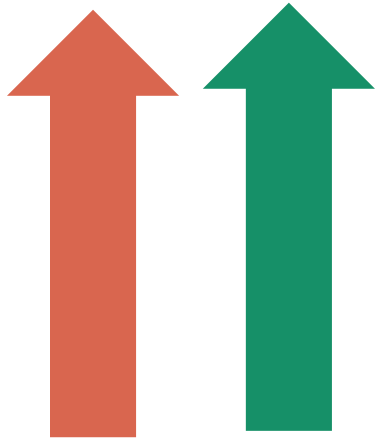
Action





Environment

Ecosystem Services - Rwanda

- Cost of electricity increased up to 167% per unit cost following degradation of the Gishwati forest and Rugezi wetland

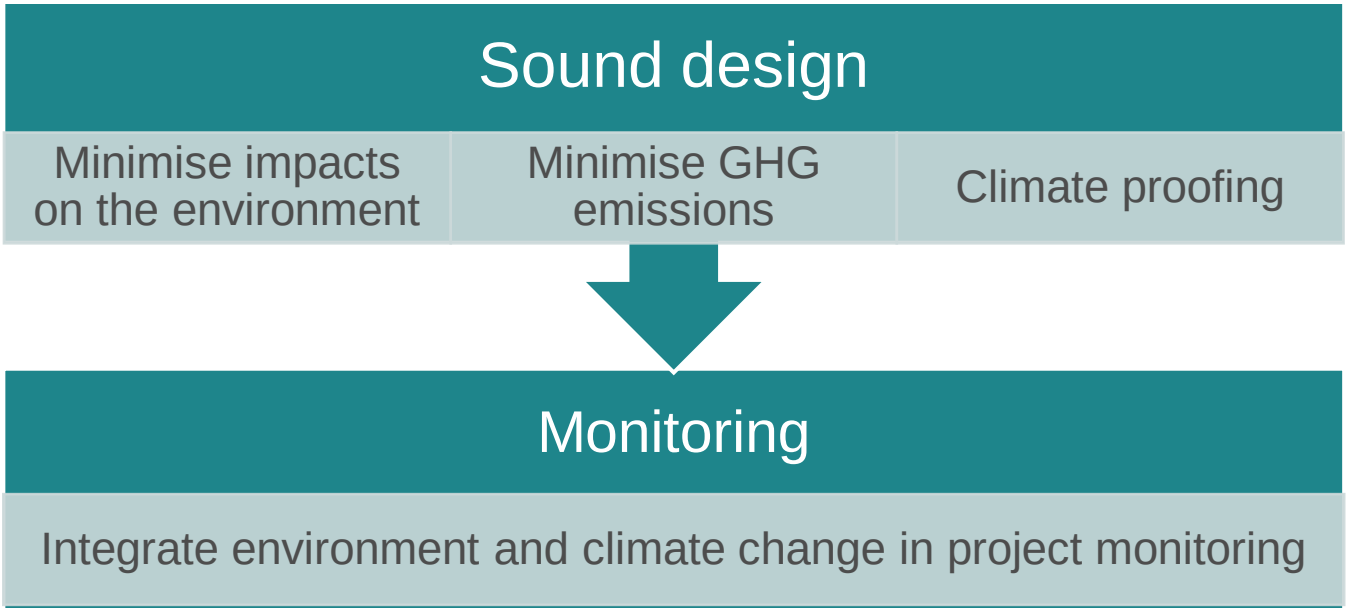
Impacts of air pollution

- About 4.2 million premature deaths globally are linked to ambient air pollution (WHO)
- 1.6 million deaths each year - mostly women and children - can be attributed to diseases from smoke inhalation from open cooking fires

The “do no harm approach”

Key questions:

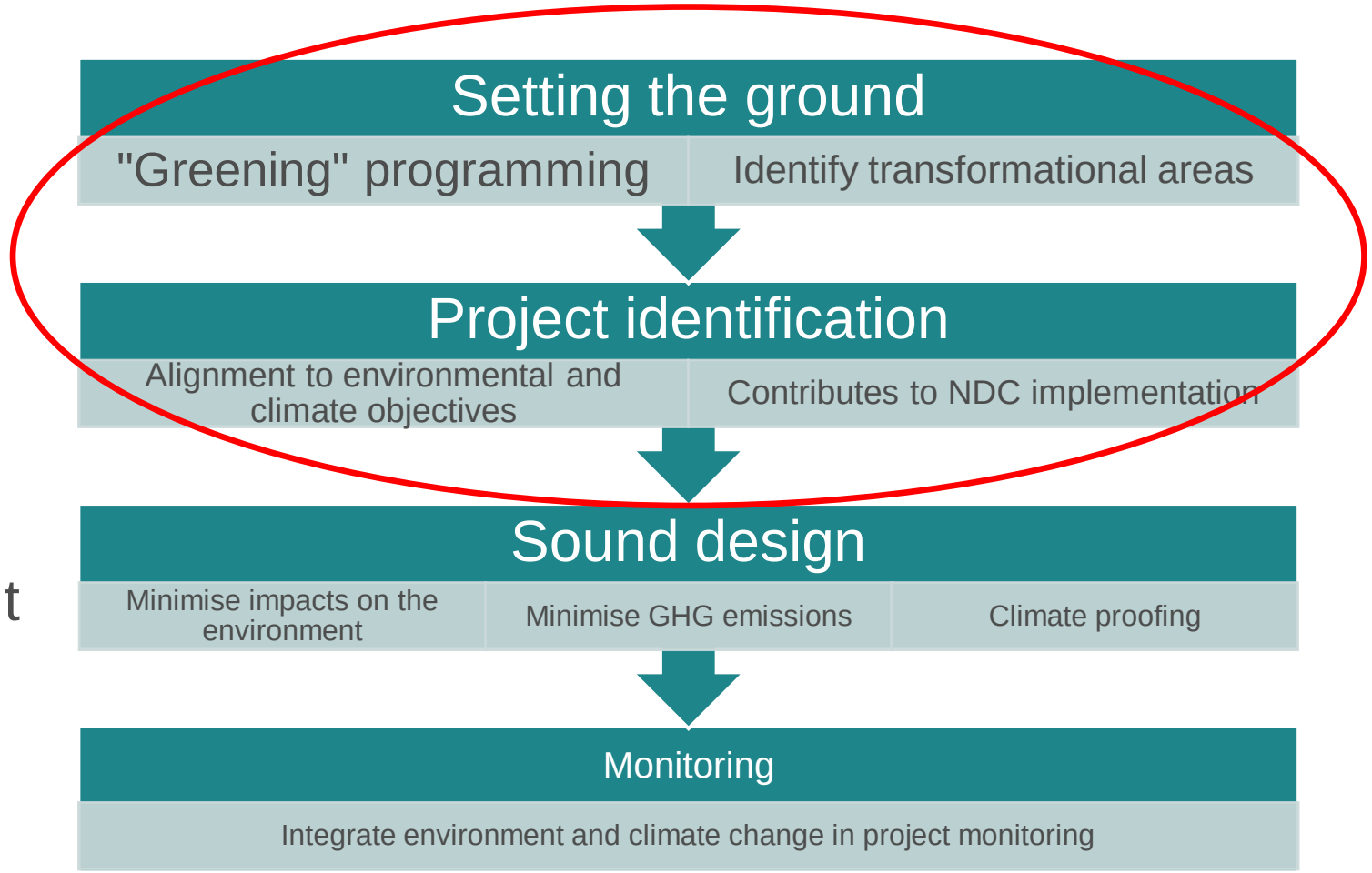
- Can the project negatively affect the environment?
- How can adverse environmental impacts be minimised?
- How to ensure climate resilience of the project?



The “do more good approach” (‘positive agenda’)

Key question:

- What type of project is needed to achieve development objectives in an environmentally sustainable, climate resilient and low carbon manner?



Do no harm approach

- Can the road route avoid sensitive environmental landscapes?
- What construction techniques and materials to minimize impact?
- How to climate proof the road?

Do more good approach

- What's the best alternative to achieve sustainable mobility objectives (road? railway? public transport?)

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Success story: energy efficiency

- Metalexacto, a small lead foundry in Peru, increased productivity of secondary Pb by 34.7 t/yr (some $16,980) through simple EE measures
  * burner replacement, change of refractory bricks, hood on furnace
- Improved operating efficiency, with waste reductions of 35,500 kg/yr in raw materials and reduced emissions of almost 240 tCO_{2eq}.

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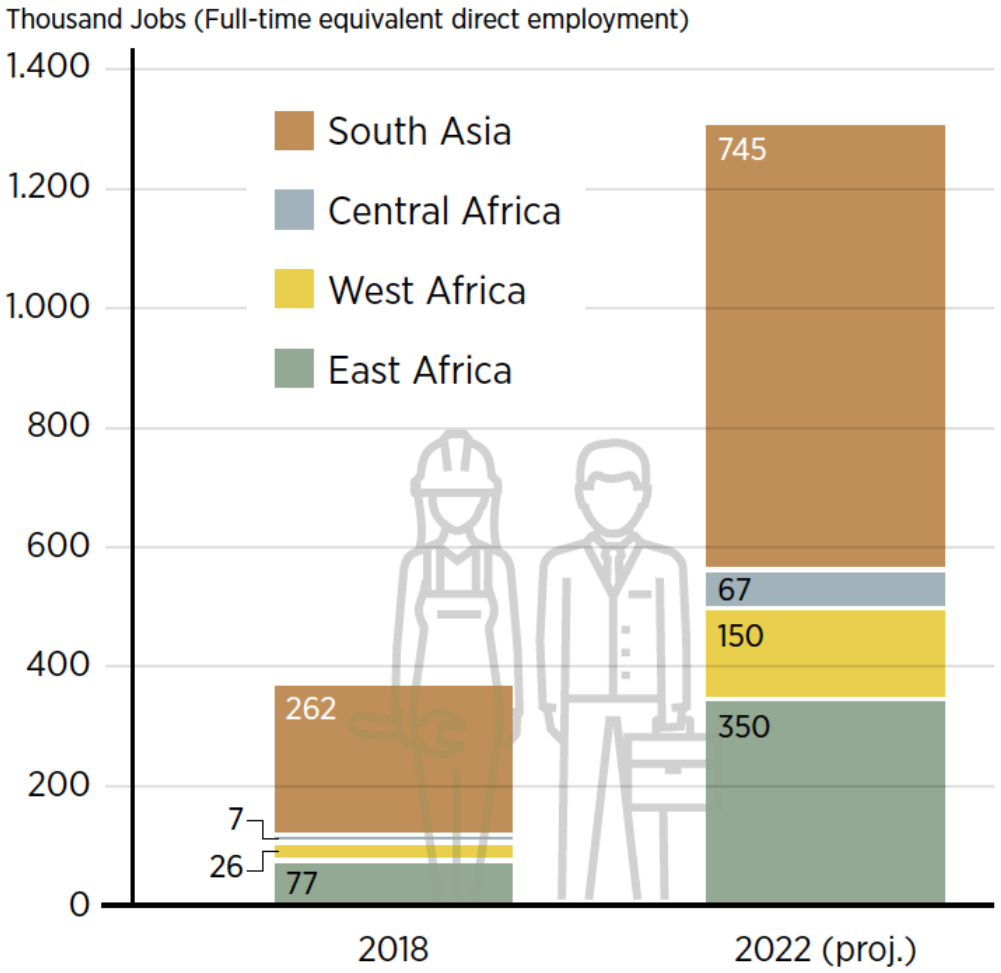
Renewable energy creates jobs



Source: GOGLA and Vivid Economics, 2018.

Employment in off-grid jobs

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Switching to drought-tolerant maize in Zimbabwe

- Development of drought-tolerant maize varieties
- 160 varieties released and scaled-up
- Farmers harvested over 600 kg more maize per ha (equivalent to US$240/ha - a buffer of 9 months' worth of additional food security)

Sustainable value chains

- Are we prioritizing value chains that make the most sustainable use of natural capital?
  - Agroforestry approach
  - Avoiding ”thirsty” crops in water-scarce areas
  - …

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The EU intervention cycle

Entry points for environment and climate change

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Risk Management Framework (RMF)

Environment and climate risk screening

Strategic Environmental Assessment (SEA)

Environmental Impact Assessment (EIA)

Climate Risk Assessment (CRA)

Identification/formulation studies

Budget support eligibility assessment

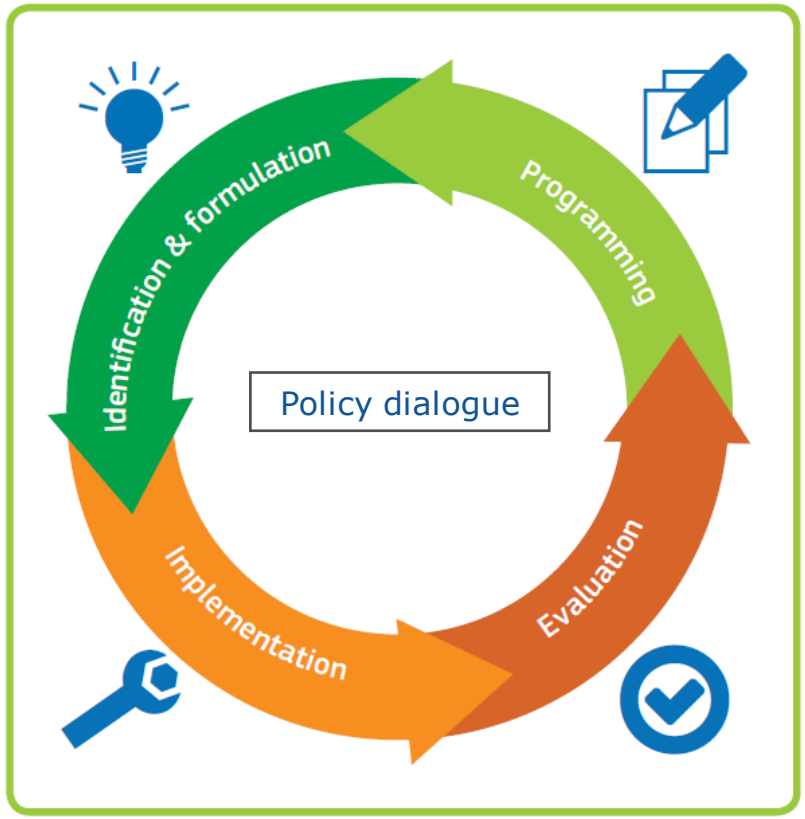
Environmental Management Plan (EMP)

Climate Risk Management Plan (CRMP)

Performance indicators

Monitoring missions

ROM



Country Environmental Profile (CEP)

Mid-term evaluations

Final evaluations

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NDICI Regulation

Article 25.5

*"Appropriate **environmental screening**, including for climate change and biodiversity, shall be undertaken at the level of actions, in accordance with the applicable legislative acts of the Union…comprising, where applicable, an **environmental impact assessment**, including the impact on climate change, ecosystems and biodiversity, for environmentally sensitive actions…*

*Where relevant, **strategic environmental assessments**, including the impact of climate change, shall be used in implementation of sectoral programmes…"*

Article 29 – Excluded Activities

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*(b) are **incompatible with the recipient country's NDC…or that promote investments in fossil fuels**, or that, according to the environmental screening and impact assessment, **cause significant adverse effects on the environment or the climate**, unless such actions or measures are strictly necessary for achieving the objectives of this Regulation and they are accompanied with appropriate measures to avoid, prevent or reduce and, if possible, off-set these effects, including support to phase out environmentally harmful fossil fuel subsidies".*

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The Green Lenses approach: beyond specific tools

Strategic Environmental Assessment

"the **process** and tool for evaluating effects of proposed policies, plans and programmes on natural resources, social, cultural and economic conditions and the institutional environment in which decisions are made"

- IAIA (International Association for Impact Assessment)

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When can SEA be useful?

- When providing **budget support** to an environmentally-sensitive sector
  - To assess budget support eligibility criteria
  - To inform the BS programme preparation
  - To identify performance indicators
- When providing broad **strategic-level support**
- When supporting sectoral **policy-making and planning processes**

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Example: SEA of Zambia's sugar adaptation strategy

- Introduction of new industrial sector: ethanol distilling
- Potential impacts: vinasse management
- Addressing risks at strategic level: strengthening capacities of the environmental protection agency

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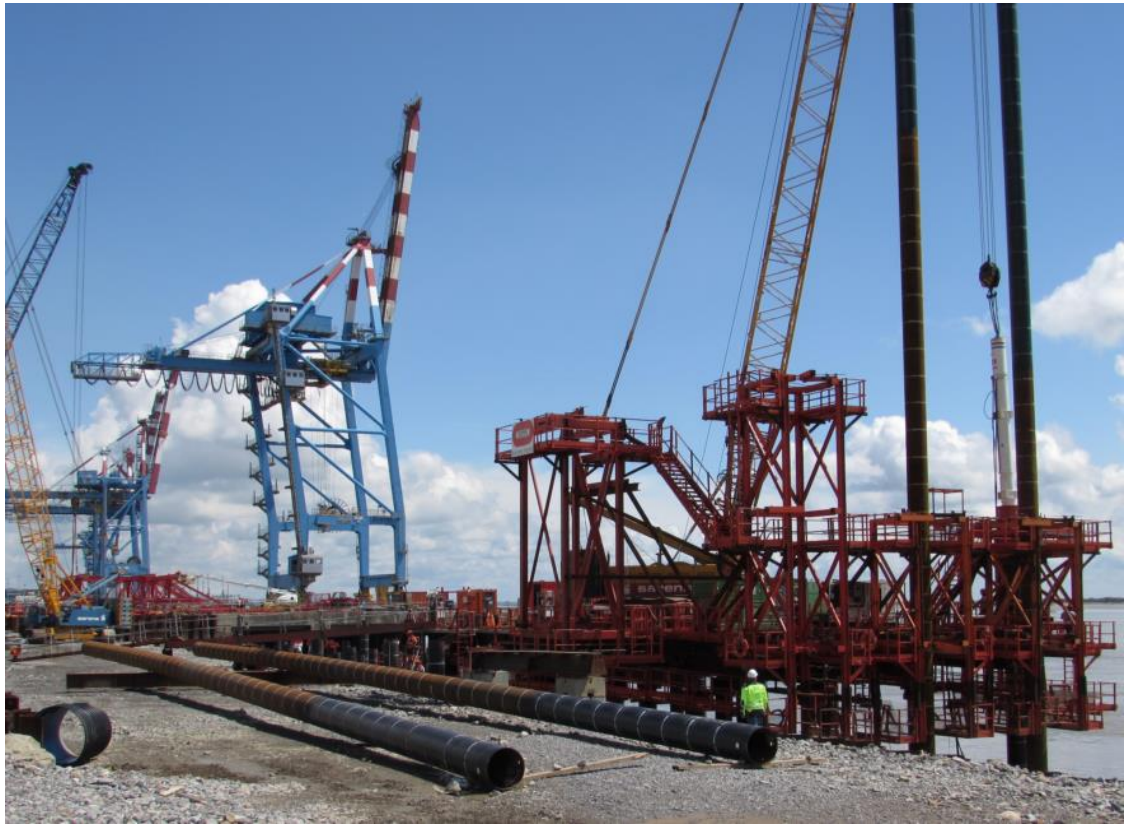
Environmental Impact Assessment



"the **process** of **identifying, predicting, evaluating and mitigating** the bio-physical, social and other relevant effects of development proposals **prior to** major decisions being taken and commitments made"

- IAIA (International Association for Impact Assessment)

The mitigation hierarchy

Environmental Management Plan (EMP)

- Details for implementation and monitoring of mitigation measures
- What? Who? When? How much?
- Must be reflected in contractual documents
- Link to monitoring and evaluation

Climate Risk Assessment (CRA)

- Reduce the project´s vulnerability to climate change
- Reduce climate damage by preventive measures
- Optimise positive impacts
- …through technical/scientific studies and stakeholder consultations

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CRA example – Anguilla Solar PV project

- 1 MW grid-connected, ground mounted solar PV project
- EIB required a Climate Vulnerability Assessment
- PV plant most sensitive to wind
  - Data show wind gusts up to 140 mph
  - Could damage system components
  - Corrected for CC: projected gusts of 155 mpg
  - Other data: increase in Category 4 and 5 hurricanes
  - Design for 1 in 150 year events

Tools and instruments in the context of budget support

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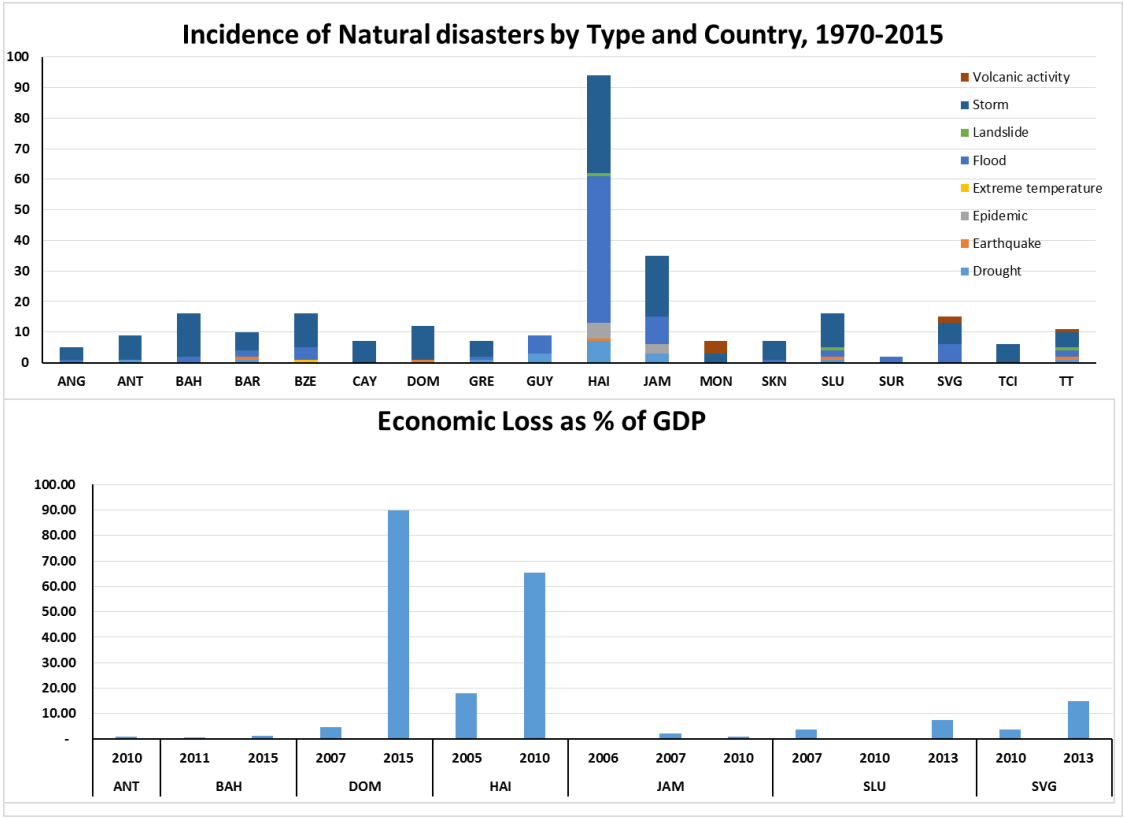
General considerations for greening budget support

- To consider environment and climate change in:
  - Risk Management Framework (e.g. developmental and macroeconomic risks)
  - Eligibility criteria (sector strategy)



SOURCE: *EM-DAT Disaster Database*, www.em-dat.be, Université Catholique de Louvain, Brussels, Belgium

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Key tools

- Greening the **policy dialogue**
- **Strategic Environmental Assessment** (SEA)
- Greening **PFM**
  - PEFA Climate Module
  - Greening budgets and budgeting systems
  - Public Environmental Expenditure Reviews (PEER) / Climate Public Expenditure and Institutional Reviews (CPEIR)
  - Environmental Fiscal Reform (EFR)
  - Addressing perverse subsidies
  - Environmental accounting
  - Climate finance readiness, etc.

Examples of activities

- Beef-up your Policy Dialogue! for instance, with a:
  - Strategic Environmental Assessment
  - PFM review that includes climate integration in the national systems (Budget alignment with CC strategies, Tracking CC related expenditure, Climate responsive public investment management, …)
- Support capacity building of government officials, including budget officers and planners, in the preparation of green budgets and subsequently monitoring and reporting on fiscal outcomes and fiscal risks.
- Bring TA to PFM institutions procurement officers including development and effective use of guidelines and templates for greening national PFM systems.
- Organise exchange of good practices / dedicated national or regional workshops on PFM for Climate change with countries where the EU performs Budget Support operations or is considering starting similar PFM-related operations.
- Improve visibility and promotion of green PFM and audit practices.

Tools and instruments in the context of investments

European Commission

What can we do to promote sustainable investments? When do we intervene and how?

- Alignment to the Green Deal and promoting transformative change
  - Identification of pipeline of projects
  - Designing Guarantees
- Ensure environmental additionality
- Understand ESG safeguards of the lead FI and promote high standards
- Examine the application of ESG safeguards in the context of intermediary FIs
- Our involvement in project assessment and monitoring

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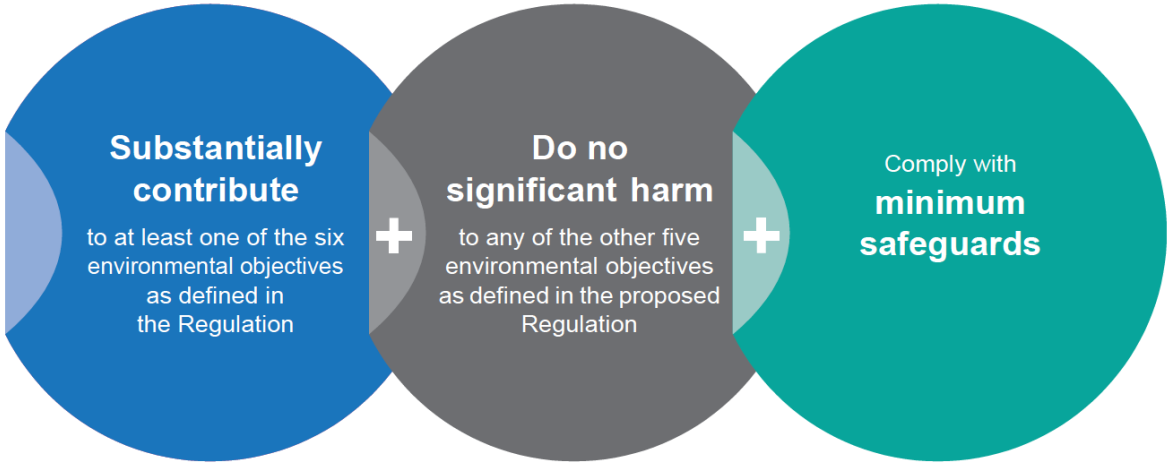
EU Taxonomy of Sustainable Finance promoting green investments

- Provides guidance on what is considered sustainable finance
- Sets technical screening criteria for economic activities:



- Climate change mitigation
- Climate change adaptation
- sustainable and protection of water and marine resources;
- transition to a circular economy
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

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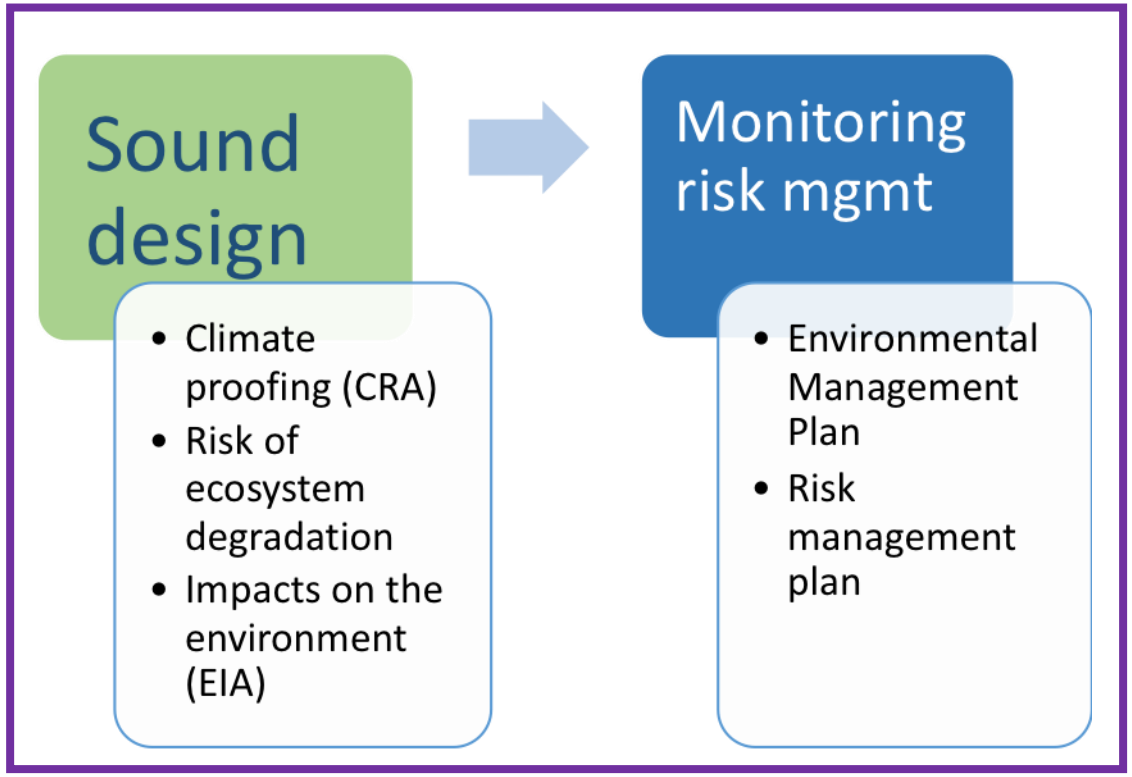
Doing things right is not enough…



"Doing the Right Things"

"Doing Things Right"

Guidance and support

European Commission

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European Commission

Tools and Methods Series
Guidelines N° 6

Integrating the environment and climate change into EU international cooperation and development

Towards sustainable development




Directorate-General for International Cooperation and Development

February 2016

European Commission

Quick Tips series

INTEGRATING THE ENVIRONMENT AND CLIMATE CHANGE IN THE EDUCATION SECTOR

INTEGRATING THE ENVIRONMENT AND CLIMATE CHANGE IN AND BY DIGITALISATION

INTEGRATING ENVIRONMENT AND CLIMATE CHANGE IN THE SUSTAINABLE ENERGY SECTOR

INTEGRATING THE ENVIRONMENT AND CLIMATE CHANGE IN AGRICULTURE AND FOOD SYSTEMS

GREEN MOBILITY: ANCHORING ENVIRONMENT AND CLIMATE AMBITIONS IN THE TRANSPORT AND MOBILITY SECTOR

INTEGRATING THE ENVIRONMENT AND CLIMATE CHANGE IN INFRASTRUCTURE PROJECTS

INTEGRATING THE ENVIRONMENT AND CLIMATE CHANGE IN PRIVATE SECTOR AND TRADE COOPERATION

GREEN CITIES: INTEGRATING ENVIRONMENT AND CLIMATE AMBITIONS IN URBAN DEVELOPMENT

Under preparation:

- Water & Sanitation, Water management, DRR, Project and Office Management

European Commission

Sector Notes

Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development

SECTOR NOTE: AGRICULTURE, FOOD SECURITY AND RURAL DEVELOPMENT

This sector note has been prepared to complement the European Commission (EC) Guidelines on *Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development* (EC, 2016a; hereafter referred to as 'the Guidelines'). It provides specific guidance for actions in agriculture, food security and rural development — which, because they face similar challenges regarding the environment and climate change, are here treated as a single sector. The Guidelines and other mainstreaming tools are available on Capacity4Dev.

Part 1: Policy basis

Following is a brief review of policies, principles and strategies from the European Union (EU) that address development of this sector, with particular reference to or bearing on environment and climate change.

The **2030 Agenda for Sustainable Development** (UN, 2015) and the **Paris Agreement on Climate Change** (UNFCCC, 2015) demand a radical acceleration of environment and climate change mainstreaming into development policies, plans and programmes.

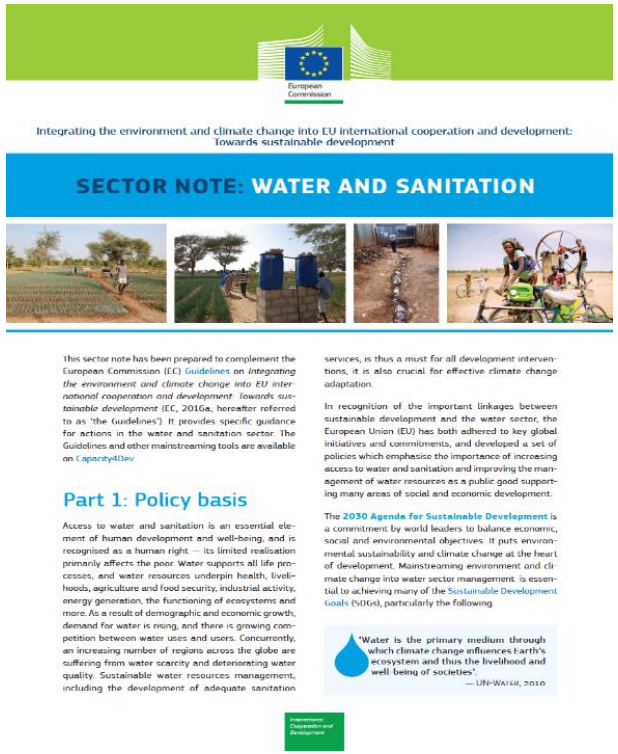
The 2030 Agenda is a commitment by world leaders to balance economic, social and environmental objectives.

It puts environmental sustainability and climate change at the heart of development. Mainstreaming environment and climate change into agriculture, food security and rural development is essential to achieving many of the Sustainable Development Goals (SDGs), particularly the following.

- **Goal 2 — No hunger.** Mainstreaming as part of good sector practice builds the resilience of the poor and vulnerable and reduces their exposure and vulnerability to climatic and environmental shocks. Mainstreaming can increase productivity, e.g. by helping maintain ecosystems upon which production depends. In particular, achieving targets 2.4 (ensuring that food production is sustainable) and 2.5 (maintaining genetic diversity of plants and animals) requires effective mainstreaming.

'… agricultural production will need to increase by at least 70 per cent to meet demands by 2050. Most estimates also indicate that climate change is likely to reduce agricultural productivity, production stability and incomes in some areas that already have high levels of food insecurity'.

— FAO, 2010



Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development

SECTOR NOTE: WATER AND SANITATION

This sector note has been prepared to complement the European Commission (EC) Guidelines on *Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development* (EC, 2016a, hereafter referred to as 'the Guidelines'). It provides specific guidance for actions in the water and sanitation sector. The Guidelines and other mainstreaming tools are available on Capacity4Dev.

Part 1: Policy basis

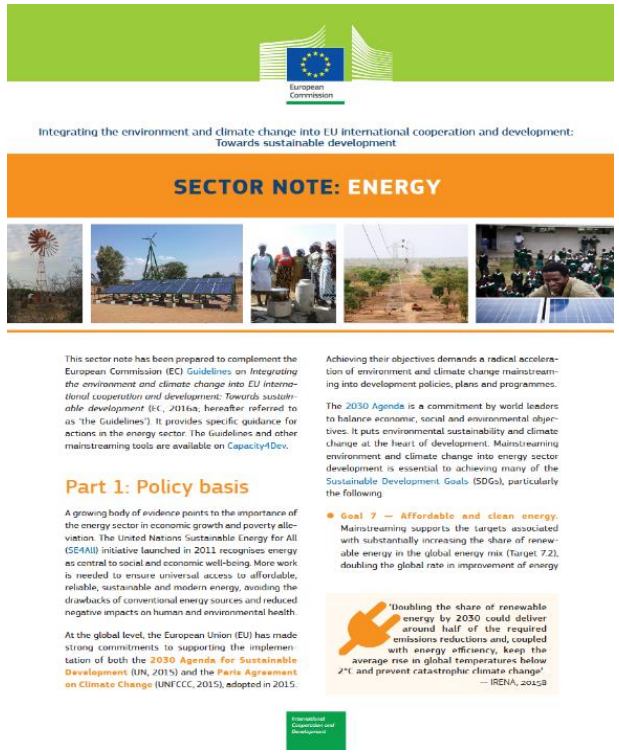
Access to water and sanitation is an essential element of human development and well-being, and is recognised as a human right — its limited realisation primarily affects the poor. Water supports all life processes, and water resources underpin health, livelihoods, agriculture and food security, industrial activity, energy generation, the functioning of ecosystems and more. As a result of demographic and economic growth, demand for water is rising, and there is growing competition between water uses and users. Concurrently, an increasing number of regions across the globe are suffering from water scarcity and deteriorating water quality. Sustainable water resources management, including the development of adequate sanitation services, is thus a must for all development interventions, it is also crucial for effective climate change adaptation.

In recognition of the important linkages between sustainable development and the water sector, the European Union (EU) has both adhered to key global initiatives and commitments, and developed a set of policies which emphasise the importance of increasing access to water and sanitation and improving the management of water resources as a public good supporting many areas of social and economic development.

The **2030 Agenda for Sustainable Development** is a commitment by world leaders to balance economic, social and environmental objectives. It puts environmental sustainability and climate change at the heart of development. Mainstreaming environment and climate change into water sector management is essential to achieving many of the Sustainable Development Goals (SDGs), particularly the following.

'Water is the primary medium through which climate change influences Earth's ecosystem and thus the livelihood and well-being of societies'.

— UN-WATER, 2010



Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development

SECTOR NOTE: ENERGY

This sector note has been prepared to complement the European Commission (EC) Guidelines on *Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development* (EC, 2016a; hereafter referred to as 'the Guidelines'). It provides specific guidance for actions in the energy sector. The Guidelines and other mainstreaming tools are available on Capacity4Dev.

Part 1: Policy basis

A growing body of evidence points to the importance of the energy sector in economic growth and poverty alleviation. The United Nations Sustainable Energy for All (SE4All) initiative launched in 2011 recognises energy as central to social and economic well-being. More work is needed to ensure universal access to affordable, reliable, sustainable and modern energy, avoiding the drawbacks of conventional energy sources and reduced negative impacts on human and environmental health.

At the global level, the European Union (EU) has made strong commitments to supporting the implementation of both the **2030 Agenda for Sustainable Development** (UN, 2015) and the **Paris Agreement on Climate Change** (UNFCCC, 2015), adopted in 2015.

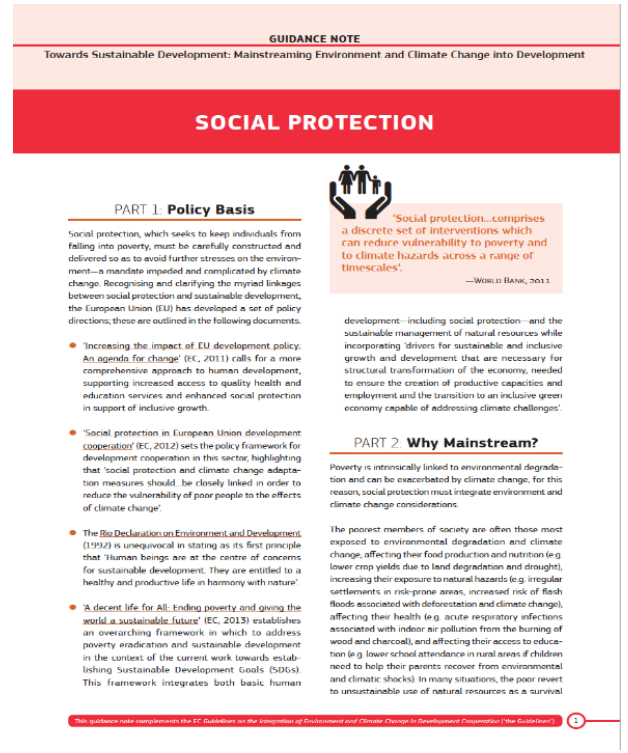
Achieving their objectives demands a radical acceleration of environment and climate change mainstreaming into development policies, plans and programmes.

The 2030 Agenda is a commitment by world leaders to balance economic, social and environmental objectives. It puts environmental sustainability and climate change at the heart of development. Mainstreaming environment and climate change into energy sector development is essential to achieving many of the Sustainable Development Goals (SDGs), particularly the following.

- **Goal 7 — Affordable and clean energy.** Mainstreaming supports the targets associated with substantially increasing the share of renewable energy in the global energy mix (Target 7.2), doubling the global rate in improvement of energy

'Doubling the share of renewable energy by 2030 could deliver around half of the required emissions reductions and, coupled with energy efficiency, keep the average rise in global temperatures below 2°C and prevent catastrophic climate change'

— IRENA, 2015a



GUIDANCE NOTE

Towards Sustainable Development: Mainstreaming Environment and Climate Change into Development

SOCIAL PROTECTION

PART 1: Policy Basis

Social protection, which seeks to keep individuals from falling into poverty, must be carefully constructed and delivered so as to avoid further stresses on the environment—a mandate impeded and complicated by climate change. Recognising and clarifying the myriad linkages between social protection and sustainable development, the European Union (EU) has developed a set of policy directions; these are outlined in the following documents.

- 'Increasing the impact of EU development policy: An agenda for change' (EC, 2011) calls for a more comprehensive approach to human development, supporting increased access to quality health and education services and enhanced social protection in support of inclusive growth.
- 'Social protection in European Union development cooperation' (EC, 2012) sets the policy framework for development cooperation in this sector, highlighting that 'social protection and climate change adaptation measures should be closely linked in order to reduce the vulnerability of poor people to the effects of climate change'.
- The Rio Declaration on Environment and Development (1992) is unequivocal in stating as its first principle that 'Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature'.
- 'A decent life for All: Ending poverty and giving the world a sustainable future' (EC, 2013) establishes an overarching framework in which to address poverty eradication and sustainable development in the context of the current work towards establishing Sustainable Development Goals (SDGs). This framework integrates both basic human development—including social protection—and the sustainable management of natural resources while incorporating 'drivers for sustainable and inclusive growth and development that are necessary for structural transformation of the economy, needed to ensure the creation of productive capacities and employment and the transition to an inclusive green economy capable of addressing climate challenges'.

'Social protection…comprises a discrete set of interventions which can reduce vulnerability to poverty and to climate hazards across a range of timescales'.

—World Bank, 2011

PART 2: Why Mainstream?

Poverty is intrinsically linked to environmental degradation and can be exacerbated by climate change, for this reason, social protection must integrate environment and climate change considerations.

The poorest members of society are often those most exposed to environmental degradation and climate change, affecting their food production and nutrition (e.g. lower crop yields due to land degradation and drought), increasing their exposure to natural hazards (e.g. irregular settlements in risk-prone areas, increased risk of flash floods associated with deforestation and climate change), affecting their health (e.g. acute respiratory infections associated with indoor air pollution from the burning of wood and charcoal), and affecting their access to education (e.g. lower school attendance in rural areas if children need to help their parents recover from environmental and climatic shocks). In many situations, the poor revert to unsustainable use of natural resources as a survival

This guidance note complements the EC Guidelines on the Integration of Environment and Climate Change in Development Cooperation ('the Guidelines').

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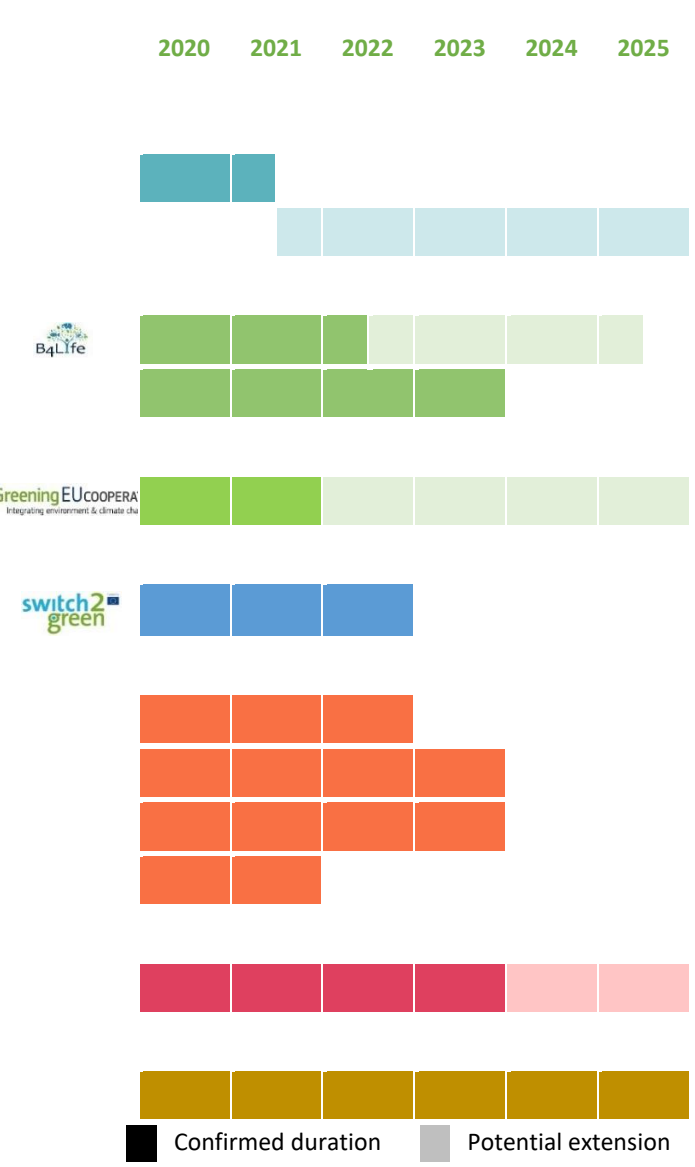
European Commission

Technical assistance in support of programming and implementation of the external dimension of the European Green Deal

	Unit	Current Amount (M€)	Planned Amount (M€)	All countries/ restricted
Climate action				
Global Climate Change Alliance (GCCA+, including ACP)	C6	4.9	-	All
National Determined Contributions facility (NDC facility)	C6	-	14	All
Biodiversity				
Biodiversity for Life (B4Life)	C2	1.8	-	All
Forests for the future facility (F4)	C2	9	-	All
Horizontal support to greening EU cooperation				
Environment and climate change mainstreaming	C2	1.4	4	All
Circular economy				
SWITCH to Green and Water Facilities	C2	5.7	-	All
From Farm to Fork				
Value Chain Analysis (VC4D)	C1	8.3	-	All
Advisory Services for Resilient Agri-Food Systems (ASRAFS)	C1	6	-	All
Capacity for Nutrition (C4N)	C1	20	-	All
Comité de Liaison Europe-Afrique-Caraïbes-Pacifique (COLEACP)	C1	16.1	-	ACP
Sustainable energy				
Technical Assistance Facility (TAF)	C6	39.1	-	All
Sustainable cities				
Sustainable cities	C5	p.m.	p.m.	All



European Commission

INTPA-GREENING-FACILITY@ec.europa.eu

NEAR-GREENING-FACILITY@ec.europa.eu

Greening EU COOPERATION
Integrating environment & climate change

guidance documents available on capacity4dev.eu
(group on Environment, Climate Change and Green Economy)

European Commission

Q&A

European Commission

Upcoming Webinars – stay tuned!

- Green Deal policy developments (18 June)
- Circular Economy and Pollution (25 June)
- The role of agroecology in achieving the Green Deal strategic objectives (2 July)
- Green Cities (9 July)
- DRR (September)

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Thank you

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