



Position paper

COP 27: November 2022 It is now or never. Territorial leaders in action!





ocal and Regional Governments (LRGs) are ready to act on the eve of COP 27, the next Conference of the Parties to the United Nations Framework Conference on Climate Change (UNFCCC) being held in Sharm-el-Sheikh, Egypt in November 2022. On their behalf, the Council of European Municipalities and Regions (CEMR) and PLATFORMA would like to present the following key points to the UN, the EU and the national governments negotiating the climate agreement:

1. Delivery on the Paris Agreement is running behind schedule, and it is critical to act now to fulfil the following four key policy objectives at all levels of government: mitigation, adaptation, energy transition and biodiversity.

2. LRGs need a supportive regulatory and governance framework to implement subnational climate action.

3. LRGS need sustainable subnational financing and suitable resilience and recovery plans to tackle the climate crisis.

4. Local and regional leadership and actions, also with companies and citizens, are key to strengthening the work at the international level within the UNFCCC and in collaboration with global partners.

5. LRGs need to give greater emphasis to the importance of biodiversity and nature-based solutions in policymaking.

6. Energy independence from fossil fuels must be developed to meet our needs and abide by international solidarity principles.

7. Climate change inequalities can be overcome by implementing climate justice and social equity.

8. City diplomacy, decentralised cooperation among cities and regions worldwide, exchange of experience and best practice at local level all help in disseminating local solutions and know-how, thus strengthening local climate-related policymaking and actions.

9. Adaptation takes on outsized importance in developing countries and especially on the host continent of Africa with its high level of urbanisation.

10. The localisation and territorialisation of the Sustainable Development Goals are crucial to achieving positive impacts on the ground but have yet to transpire.

1. Delivery on the Paris Agreement is running behind schedule, and it is critical to act now to fulfil the following four critical policy objectives at all levels of government: mitigation, adaptation, energy transition and biodiversity

The European Union, its Member States and other European countries have significantly contributed to international efforts to tackle climate change under the United Nations Framework Convention on Climate Change (UNFCCC) since its signing in 1992. The EU countries cut their emissions by 33% between 1990-2020.¹ The 2015 Paris Agreement, adopted by all UNFCCC Parties (COP 15), is the first universal, legally binding global climate agreement to limit global warming to no more than 1.5 °C above pre-industrial levels. The Parties renewed their commitments in 2020. LRGs across the EU have been heavily involved in this effort in accordance with their competences.

LRGs remain committed and ready to help reach this objective, working alongside national governments to underscore the need to join efforts on mitigation (reduction of emissions) and adaptation (capacity to resist impacts), provided that they receive the means and support necessary from their national government and the European Union.

The COVID-19 pandemic and the Ukrainian conflict have created an unprecedented situation. They must not become an excuse to delay the implementation of the Paris Agreement. Instead, they moment should be seized to start building resilient societies.

The sudden rapid spread of these crises makes it necessary to consider the overall picture of greenhouse gas emissions, biological diversity, adaptation to climate change and the energy transition as one challenge. Greater synergy is needed between these four interconnected policy areas. It is also important to ensure that multilevel actions become the new normal during the next phase of delivering on the Paris Agreement.

¹<u>https://ec.europa.eu/eurostat/statistics-</u>

explained/index.php?title=Greenhouse_gas_emission_statisti cs_-_emission_inventories

2. LRGs need a supportive regulatory and governance framework to implement subnational climate action

To ensure faster results from local actions, LRGs require appropriate and sufficient regulations and financing. International agreements, European Union legislation and national legal and regulatory frameworks must respect the diversity of local and regional conditions and actors, allowing for differentiated solutions. More importantly, as the actors localising and implementing these actions, LRGs need to be supported during this transition to energy efficiency, which includes the development of local energy sources.

Wherever possible, policy should be technology neutral. There is no single universal solution since climate, resources, capacities and socioeconomic factors vary from one territory to the next.

In Europe, the EU and non-EU countries alike should all recognise the active role played by LRGs and their representative associations in developing and revising climate mitigation and adaptation policies and regulations, including the National Energy and Climate Plans (namely through further embedment of flagship initiatives as the Covenant of Mayors for Climate and Energy into national legal, planning, monitoring and reporting frameworks). Sustainable European and national financial instruments are fundamental to LRGs to ensure capacity building and investment, but also to finance awareness-raising and development education actions among citizens, all of which are key to successfully implementing policies and advancing towards a sustainable transition. CEMR/PLATFORMA believe that shared funding instruments (between EC and national / regional / local authorities) need to benefit local actors more directly to allow them to implement actions and develop projects. Our mission involves facilitating the work and building the capacity of national associations of LRGs to help their own members undertake the transition, including by explaining the different technical and financial tools at their disposal.

The European Green Deal is an ideally suited means for reaching the objective of carbon neutrality by 2050. Following this example, a proper transition needs to fully consider and accommodate any social impacts through designated support and funding. The situation of each country, and even the status and size of different regions and municipalities within a country vary greatly, which therefore necessitate different responses and a degree of flexibility. Lastly, the involvement of the local level in this area should be unequivocal.

3. LRGs need sustainable subnational financing and suitable resilience and recovery plans to combat the climate crisis

To meet the objectives of the Paris Agreement, all levels of government must be able to mobilise suitable financial means and access to long-term loans must remain at very low rates. The UNFCCC estimates that an additional USD 1.5 trillion is necessary to bridge the gap between climate ambition and finance.² It is therefore crucial that the Parties deliver on the yearly USD 100 billion in climate finance to equitably fund mitigation and adaptation measures to support developing and least developed countries. It should also be noted that LRGs already play a vital role in terms of climate change mitigation and adaptation investments on their territories. According to the OECD Subnational Government Climate Finance Hub, LRGs accounted for 63% of total climate-significant public expenditure in 2019 - surpassing the numbers of many national governments in OECD counties.³ Furthermore, the climate crisis cannot be solved without the mobilisation of private capital through equity, public-private partnerships or blended financial To avoid different standards, instruments. taxonomies⁴ should set forth clear criteria to facilitate capital inflows in green financial products. higher market liquidity and comparability. CEMR/PLATFORMA therefore call for increased capacity-building to ensure use of the EU taxonomy, to seize opportunities provided by green financial instruments and to take into consideration the whole of LRGs' human. and financial technical resources when developing the EU taxonomy down the line.

To lead society into a post-pandemic period, the resilience and recovery plans need to become a reality. The current COVID-19 situation as well as all the other past crises, whether linked to pandemics or biodiversity issues, have nevertheless demonstrated that local action can be quick, targeted and efficient, and occurs at a proximity closest to the citizens during emergencies. The impact of COVID-19 during the years 2020-2021-2022 also demonstrated just how fragile our world really is, with many similarities between the pandemic and what is occurring with the climate crisis, especially in terms of how disproportionately our most vulnerable populations and territories are affected. The post-COVID-19

²<u>https://unfccc.int/news/bridging-climate-ambition-and-finance-gaps</u>

³ https://www.oecd.org/regional/sngclimatefinancehub.htm

⁴ <u>https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en</u>

usual". This is why local and regional governments have been striving towards a green and sustainable recovery path that is socially just and resilient. National governments need to actively engage in a dialogue and work alongside the subnational governments to ensure that the current resilience and recovery plans are properly implemented.

4. Local and regional leadership and actions, also with companies and citizens, are key to strengthening the work at the international level within the UNFCCC and in collaboration with global partners

The level of change required to mitigate emissions and to adapt to climate change can only be achieved through strong political commitment and leadership involving all levels of government and in partnership with citizens, the private sector, civil society and peers around the globe. The local and regional levels will play a pivotal role in successfully achieving the goal of carbon neutrality by 2050. In many countries, the local level can be seen as being on the front lines in the combat to reach ambitious climate targets and develop local solutions and initiatives to global challenges.

Since COP 15 in Paris, LRGs have increasingly been welcomed as important partners for carrying out international agreements. CEMR continues to work at this level through the Local Governments and Municipal Authorities Constituency (LGMA – and lead by ICLEI) at the United Nations, coordinated by our global partner, the United Cities and Local Governments (UCLG).

The countries attending COP 24 in Katowice and COP 25 in Madrid pledged to employ "domestic institutional arrangements" in formulating the Climate Action Plans drawn up to deliver the carbon emissions agreed upon in each state's Nationally Determined Contributions. By COP 26, the essential involvement of LRGs in formulating and monitoring national climate action plans was acknowledged in a joint statement (also made clear in the Glasgow Pact) issued by all the governments present.

The G7's role should also be underscored as this group urged all its member countries to demonstrate leadership in multilevel cooperation through the effective engagement of local and regional governments. As a systematic approach is highly effective in this regard, the Urban7 group's involvement, initiated by Germany, to escalate into "emergency action mode" is welcome. The U7 group also serves as an important reference group that advocates for the official recognition of municipalities in the COP 27 process. One important shared objective is presenting Nationally Determined Contributions that have been supplemented by Locally Determined Contributions, compatible with the Paris Agreement.

The COP of Cities organised in July 2022 by Abidjan is also indicative of the growing resolve among LRGs to take on a more active role in international negotiations on the fight against climate change. And the Climate Chance Association is organizing this October the Sustainable Mobility and Climate Week 2022, with sessions of the Covenant of Mayors – a key Pre-COP key moment of African actors ahead of COP27.

The UN High-Level Policy Forum on Sustainable Development held in July also affirmed the unquestionable role of the subnational level in implementing SDGs and the 2030 Agenda through a worldwide collaboration with all partners.

Following this same path, the COP27's Egyptian Presidency "Sustainable Urban Resilience for the Next Generation" (SURGe) initiative supports a sustainable, just urban transformation, a clear commitment towards establishing concrete ties with the subnational level as a key player in the climate challenge.

5. LRGs need to give greater emphasis to the importance of biodiversity and nature-based solutions in policy making

The significance of biodiversity and nature-based solutions in policymaking needs to be stressed as the growing number of disasters in these areas can no longer be overlooked.

The pressures to pull off the energy transition owing to a sense of being in dire straits with a clock ticking have only increased in the short time since COP26 as a result of "post"-pandemic exigencies and the ongoing war in Ukraine, making interconnections more relevant now than ever.

However, in endeavouring to speed up this transition, we run the risk of unintentionally increasing emissions, undermining our capacity to tackle climate change and decreasing biodiversity.

Moreover, CEMR/PLATFORMA share the conviction expressed in the declaration adopted last year (prior to the Conference of the Parties to the Convention on Biological Diversity-COP 15 held in Kunming, China in October 2021) that emphasised "the vital role of local and regional authorities in policies for the protection and restoration of species and natural spaces". Indeed, municipalities and regions have many powerful levers of action at their disposal to protect biodiversity, including environmental monitoring, spatial planning, planning of urban

and natural spaces, transport, water management and decentralised cooperation with other local governments.

6. Energy independence from fossil fuels must be developed to meet our needs and abide by international solidarity principles

Faced with all-time high energy prices worldwide and the scarcity of primary energy sources, not to mention their considerable impact on climate change, governments at all levels should strive to attain energy independence from fossil fuels.

As an International Energy Agency analysis shows, the average cost of energy from renewable sources (especially onshore wind power and solar photovoltaics) is below that of fossil fuel technologies. This difference will eventually become even more pronounced given that the "system value of variable renewables (...) decreases as their share in the power supply increases".⁵

Moreover, owing to their affordability and decentralised nature, renewable energies have the potential to empower citizens at the local and regional levels and to democratise access to energy, support economic development and mitigate greenhouse gases efficiently.

Access to sustainable and renewable energy in developing countries must also be promoted in order to combat poverty, improve living and working conditions and thus reduce migration.

Energy security is a key issue as well and bridging technologies will be necessary for the transitional period as energy systems are transformed in view of guaranteeing continuous supply. This is also when it is important to make sure that the careful use of energy, i.e. energy savings and energy efficiency, are given high consideration.

The war in Ukraine is testing our policies to combat climate change and we are more than ever faced with the need to achieve more sustainable energies and to work towards the independence of our European energy model.

7. Climate change inequalities can be overcome by implementing climate justice and social equity

Poor and vulnerable groups (women in particular) suffer inordinately from the negative effects of climate-related crises, which only exacerbates existing inequalities among populations. To ensure a level playing field for stakeholders to act locally in such a way as towards a society that is low-carbon and sustainable, appropriate means must be provided in a fair and equitable manner. In spite of the disparate gender impact of climate change, the unequal representation of women in decision-making processes – including at the local level – often precludes them from exercising their voice and having substantive influence on climate-related planning, policymaking and implementation.

Our efforts to become climate-neutral and sustainable societies from the ground up require a gender-sensitive and intersectional approach that responds to the needs of boys, girls, men, and women in all their diversity, as set forth in the 2030 Agenda as well.

8. City diplomacy, decentralised cooperation among cities and regions worldwide, exchange of experience and best practices at local level all help in disseminating local solutions and know-how, thus strengthening local climate-related policymaking and actions

Climate diplomacy is not only an appropriate means for finding solutions, but if properly used and understood, it allows subnational governments to become fully involved in climate policies and multi-level governance and, as such, LRGs call for its increased consideration.

Likewise, the international community should promote multi-level cooperation, vertically as well as horizontally with peer learning, making use of the framework of the Global Covenant of Mayors and relying on the support of decentralised cooperation.⁶

With the growing recognition at the national and international levels of the impact of global policies at sub-national level, as well as universal acknowledgement of the key role played by LRGs in achieving climate objectives, the need to listen to the voice of LRGs and bring them to the table – for their experience as well as their input – is urgent and obvious. The fact that LRGs hold a democratic mandate – contrary to CSOs/NGOs – must not be taken for granted as it empowers them to formulate, adopt and implement public policies at the local and regional levels, as well as provide services to the local populations, to whom they are held politically accountable. The global

⁵ IEA, Projected Costs of Generating Electricity. 2020 Edition. https://iea.blob.core.windows.net/assets/ae17da3d-e8a5-4163-a3ec-2e6fb0b5677d/Projected-Costs-of-Generating-Electricity-2020.pdf, p. 13.

⁶ CEMR is a founding member of the Covenant of Mayors and its global alliance, GCoM, and coordinates <u>PLATFORMA</u>. For more climate information on PLATFORMA, see <u>https://platforma-dev.eu</u>. and the <u>thematic note</u> "Tackling climate change through decentralised cooperation".

commitment of LRGs to engage in the exchange of best practices and know-how is also fundamental to ensuring that local solutions to global problems are shared and disseminated near and far.

There is also a need to strengthen the collaboration among Non-Party stakeholders and to use a robust climate diplomacy as a means to attain the Sustainable Development Goals, as well as to secure a stronger role for LRGs in any foreign policy touching on international climate policy.

The EU Development Education and Awareness Raising (DEAR) programme supports education for sustainable development actions, including campaigns aimed at citizens and municipalities to raise awareness on the effects of climate change and ensure ownership of the solutions proposed for the transition.

9. Adaptation takes on outsized importance in developing countries and especially on the host continent of Africa with its high level of urbanisation

The African continent, host of COP27, is very rich in biodiversity and is also undergoing rapid urbanisation. This phenomenon is apparent in the rapid expansion of its megacities as well as in its smaller towns and cities. Conservation planning and practices will increasingly need to reckon with both the direct and indirect impacts of the continent's urbanisation.

This is all the more reason why greater priority needs to be given to advancing the local climate action agenda and ensuring the alignment of climate actions with sustainable urban development.

10. The localisation and territorialisation of the Sustainable Development Goals are crucial to achieving positive impacts on the ground but have yet to transpire

The outcomes of COP22 in Marrakech were intrinsically linked to the implementation of the Sustainable Development Goals (SDGs) and Habitat III's New Urban Agenda. CEMR and PLATFORMA continue to advance global climate agendas by supporting the localisation of SDGs in Europe as shown in our latest SDGs report⁷ and around the world through partnerships with peers (also referred to as decentralised institutions).

⁷ CEMR/PLATFORMA SDGS report 2022: <u>European</u> <u>Territories Localise the SDGs (local-sdgs.eu)</u> The local and regional level plays an essential role in transforming these international ambitions into practical realities.

The OECD⁸ estimates that, of the 169 targets underpinning the 17 SDGs, 65% are not attainable without the engagement – and coordination – of local and regional governments.

CEMR continues to support its members' work on the localisation of SDGs and the territorialisation of sustainable development actions in the areas of climate. and the environment energy environment. Also by offering tools such as the Reference Framework for Sustainable Cities to assist municipalities in this process. These efforts can be integrated into a wider EU strategy aimed at achieving the goals of the 2030 Agenda. Specific training and increasing the visibility of their actions to European governments can help in this regard. All of this calls for a firm commitment to strengthen multi-level and multisectorial alliances, in respect of the principles of subsidiarity, diversity, vertical and horizontal policy coherence, and different local and regional solutions, ensuring that no one and no place is left behind (in keeping with the pledge taken by LRGs during the Africa-Europe Forum on 15 February 2022 to work together in order to fulfil the 2030 Agenda).

⁸ OECD Programme on a Territorial Approach to the SDGs -OECD

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CEMR is the broadest organisation of local and regional governments in Europe, with over 60 national associations of municipalities and regions from 41 European countries. Together, they represent some 130,000 local and regional governments. CEMR's objectives are twofold: to shape European legislation on behalf of local and regional governments and to provide a platform for exchange between its member associations and their elected officials and experts. Moreover, CEMR is the European Section of United Cities and Local Governments, the worldwide organisation of local government.

PLATFORMA is the pan-European coalition of towns and regions – and their national, EU and global associations – active in city-to-city and region-to-region development cooperation. It is a hub of expertise for European local and regional governments' international action, and works to bolster European local and regional governments' contribution to EU development cooperation policies and international frameworks.

