



Secretariat
CLIMATE GROUP

Uniting leaders, driving change

**Under2 Coalition
2023 Impact Report**



Climate Group is an international non-profit founded in 2004, with offices in London, New York, New Delhi, Amsterdam and Beijing. Our mission is to drive climate action. **Fast.**

Climate Group: driving climate action for two decades

This year Climate Group will be turning 20. In this time, we've united governments and businesses to drive change across sectors and between countries.

The Under2 Coalition has been at the heart of our work since it was formed in 2015 and continues to ignite action at the very highest levels.

We're proud to serve as secretariat for the Coalition with states, regions and provinces from across 35 countries. In line with our reach and support, we're consistently named one of the international cooperative initiatives with the highest potential for emissions reductions.

As we look towards the next decade, and the Under2 Coalition's own 10th anniversary next year, we'd love to hear your stories about working with us.

With the world on course to miss key climate milestones, we must work together to show how we can turn things around.



Secretariat's message



It's been a pleasure to reflect back on a year where we united leaders and drove change through the Under2 Coalition.

2023 was the year that state and regional governments gained increased prominence on the global stage and were recognised for their pivotal role in addressing climate change. This is even more remarkable given the backsliding we have seen on commitments from national governments. In light of these trends, the role of states and regions is more important than ever.

The Local Climate Action Summit at COP28 showcased the impact that subnational governments are making across the world. Your work is the push needed to tackle the climate crisis and keep the Paris goal of 1.5 degrees alive.

During COP, more than 60 national governments supported the Coalition for High Ambition Multi-level Partnership's (CHAMP) for climate action, which asks nations to consult their local and regional governments when developing their national climate goals. This important new venture, that recognises national governments can't meet their NDCs without working closely with local government, came alongside a raft of joint initiatives between states, regions and cities, including a new Mediterranean Climate Action Partnership and an expanded Subnational Methane Action Coalition.

But it wasn't just these 'big bang' moments that brought us together. Through our projects, knowledge sharing and networking events, we've been building an even more authoritative group of leaders that can speak to the causes of – and solutions to – climate change. At the same time we've grown, with 177 states and regions now committed to the ambitious objectives of the Under2 Coalition

That growth is enabled, in part, by the Future Fund which continues to go from strength to strength in its sixth year. Last year, we attracted new funders and supported climate change mitigation and adaptation projects across regions most vulnerable to climate impacts. At the same time, we focused on addressing equity through the Just Transition Taskforce, advocated for sustainable transport systems through the ZEV Community and expanded our work in India through the State Climate Fellows programme.

We've also listened to you, our members, and moved forward on some of the most challenging issues of our time. This has meant an increased focus on reducing methane emissions and a new focus on building more work on climate finance – on which we hope to make an announcement very soon. We've also seen the first ever policy compendium released by the Net Zero Futures Leaders Forum on nature-based solutions, which showcases how climate change and biodiversity loss share common causes and, often, common remedies as well.

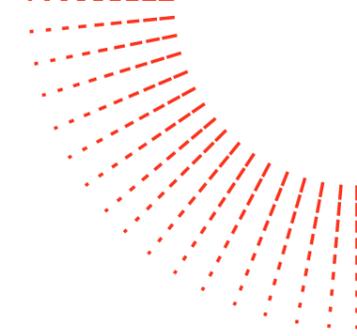
I'd like to thank all our members, signatories and supporters for their help, guidance and leadership during 2023. As we look to Baku in November for COP29 and Para for COP30, let's ensure that the successes of COP28 are remembered and properly implemented so that – together – we can find our way to a cleaner and more sustainable future.

Champa Patel
Executive Director of Governments and Policy



We've listened to you, our members, and moved forward on some of the most challenging issues of our time.

Delivering stronger impact and deeper government engagement



Since the founding of the Coalition in 2015, and merger with the States and Regions Alliance in 2017, Under2 Coalition members' inspiring climate leadership has brought innovative solutions and contributed significantly towards necessary and urgent progress.

As we continue at the forefront of climate action, and to drive even greater impact, we have worked to ensure the secretariat is fit for purpose to support the network's needs and goals.

In 2023, under the leadership of the Under2 Coalition co-chairs and steering group, we launched our refreshed member offer, along with a new contribution structure based annual membership fees for the Coalition..

To make annual contributions as fair and inclusive as possible, we based this fee on the GDP per capita of each state or region.

The refreshed contribution structure is organised into six bands from the previously implemented three bands, removing critical entry barriers for key states and regions around the world.



2023 Member Highlights



British Columbia is committed to addressing the global climate crisis. We have invested more than \$3.5bn into CleanBC, our ambitious climate action plan to lower our fossil fuel emissions and utilise our clean energy resources. The Under2 Coalition is helping us connect with global partners to grow vibrant, clean economies and protect our environment for generations to come.

George Heyman, Minister of Environment of Climate Change and Strategy in British Columbia



Being part of a global network of sub-national governments is as enlightening as it has been encouraging. The Under2 Coalition has enabled the Western Cape government to share experiences, successes and learnings with other regions who are also grappling with climate change challenges.

Goosain Isaacs, Director: Climate Change, Western Cape Department of Environmental Affairs and Development Planning



Being a member of the Under2 Coalition has been a source of inspiration for Québec. Thanks to its different focus areas and activities, we have been able to draw on international best practices to learn and improve our actions in real time; a goldmine for all governments wishing to move quickly and decisively to effect much needed change.

Benoit Charette, Minister for the Environment, the Fight against Climate Change, Wildlife and Parks, Québec



Being a member of the Under2 Coalition enables Wales to demonstrate leadership and build the momentum needed to make a difference in our fight against climate change. The collective wealth of knowledge and expertise within the Under2 Coalition is huge. It helps states and regions to create pressure to bring about change on a global level, and this gives me hope we can set a global path to zero emissions by 2050.

Julie James, Minister for Climate Change, Government of Wales



The Under2 Coalition is a very helpful network for us to exchange ideas with pioneering climate protection regions around the world. As a founding member, we like to engage in the Under2 Coalition projects which enable us to collaborate with other regions and adopt ideas for action.

Minister Thekla Walker, Minister of the Environment, Climate Protection and Energy Sector of Baden-Württemberg



Through our membership with the Under2 Coalition, we have benefitted immensely from technical and expert support, climate finance advice, peer-to-peer learning and participation in international climate engagements. As a result, our province is well positioned to take ambitious climate action and leadership.

Basani Ndindani, Director of Environmental Policy, Planning & Coordination, Gauteng Department of Agriculture, Rural Development & Environment



Being a co-chair of the Under2 Coalition has put the Province of KwaZulu-Natal in a central position to mobilise action from other states within the African region and advance tackling climate change globally. We take part in information sharing webinars and global Communities of Practice that add value and develop capacity amongst KZN government officials.

Ms. Nomusa Dube-Ncube, Premier of KwaZulu-Natal Province

Member benefits to deliver greater impact through the Under2 Coalition



Setting global ambition

Offering opportunities for global leadership

- Member profile on Climate Group website with logo and climate action showcase, based on data from the Under2 Ambition Tracker*
- Featured on the Under2 Global Members Map on the Under2 Coalition website
- News story on joining on a quarterly basis, on approval from the steering group
- Global updates of members' climate leadership announcements in the quarterly newsletter and promotion of member news and events on website and online Members Hub, when shared
- Positioning and promotion of state and regional climate leadership in global forums (COPs, Climate Action Summits), including invitations to sign supportive statements and calls for action
- Social media support from Climate Group social media accounts - X, Facebook, Instagram, LinkedIn and Flickr - to elevate announcements and member events, when shared

Driving action

Offering opportunities for knowledge sharing and peer-to-peer learning

- Access to Under2 Members Resource Hub: an exclusive member-only space, featuring news, tailored content and brand assets as well as key information from peer exchange projects
- Access to policy reports and insight briefings
- Access to peer-to-peer learning webinars, peer learning projects and in-person meetings to share best practice with other state and regional governments around the world
- Facilitated connection to fellow members to exchange knowledge and expertise on specific regional climate policies and measures
- Support for cross-region missions abroad to other member regions (introductions to key local contacts and suggestions on agendas)
- Opportunities for bilateral introductions and connections to other member governments and corporates



Building state and regional leadership

Offering opportunities to build members' voice and visibility

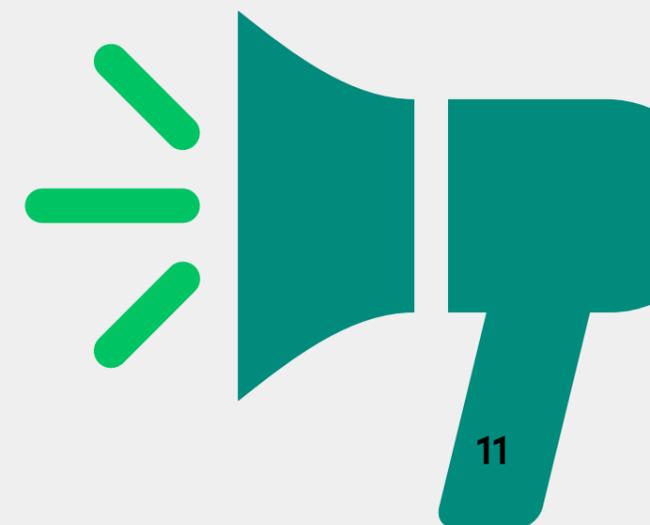
- Five in-person invitations, and unlimited virtual invites where possible, to the Under2 Coalition's annual General Assembly and regional meetings
- Exclusive invitations to attend closed-door meetings and roundtables organised by Climate Group, such as Climate Week NYC and events hosted at COP
- Access to Under2 Coalition COP briefings, calendars of events and member delegation lists to support planning and identification of partners and opportunities
- Access to quarterly calendar of key international climate events
- Exclusive access to biweekly briefings around key moments and events, such as Climate Week NYC and COPs
- Access to monthly advocacy webinars and briefings



Holding states and regions to account

Offering robust operational support to sustain leadership

- Access to and participation in the Under2 Benchmarking Tool, an interactive tool which allows you to compare and review your government's net zero target against those of other governments across 12 net zero assessment criteria
- Global member management support to address key enquires
- Organisation of quarterly steering group meetings and support to co-chairs to drive strategy and ensure that the Under2 Coalition is member-led and has a strong governance structure
- Engagement with funders and development of funded programs and delivery oversight
- Production and delivery of the Under2 Coalition Annual General Assembly, followed by release of the Annual Highlights report



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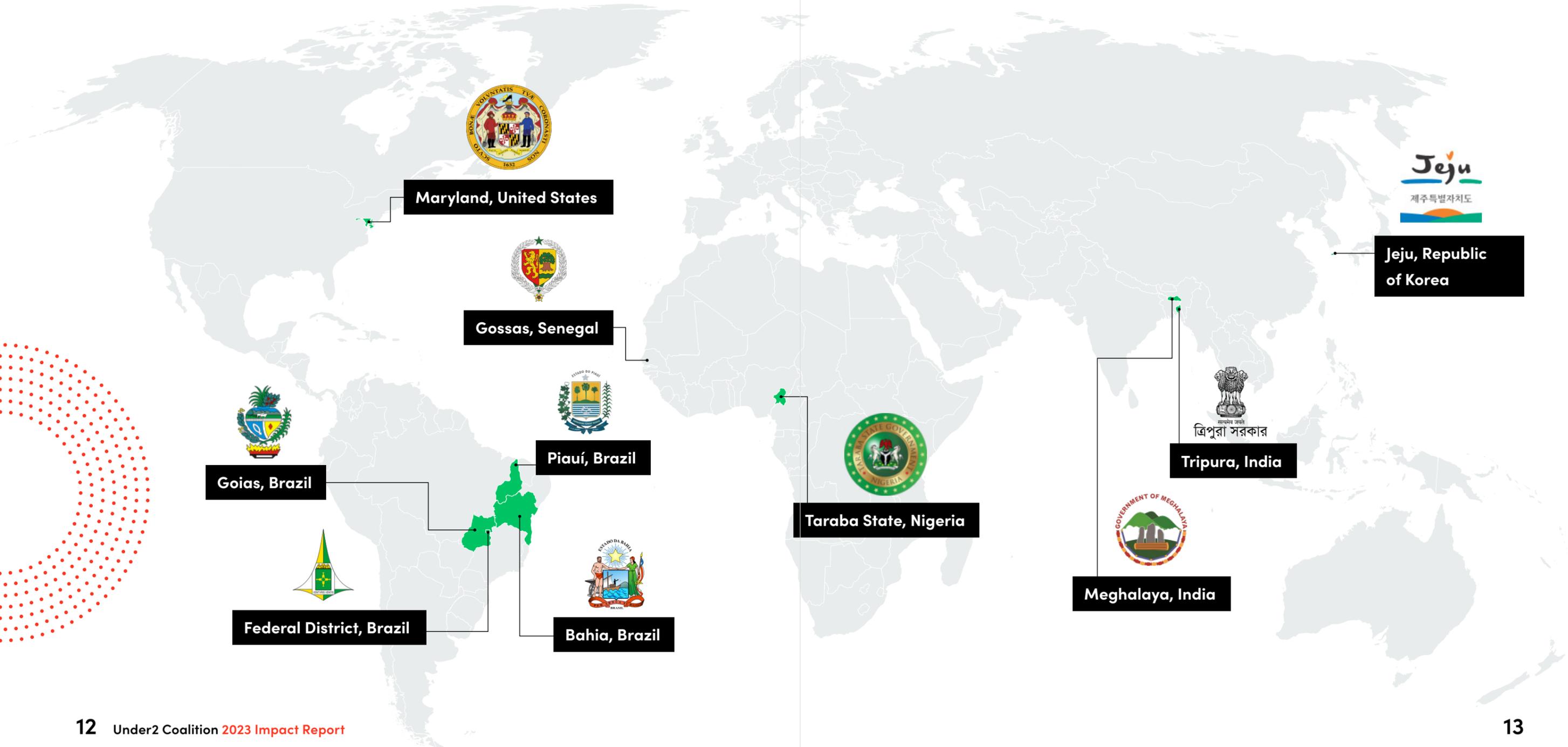
governments joined the Under2 Coalition family

The Under2 Coalition welcomed even more new subnational governments in 2023 as part of our global network. We're proud to announce we now have 177 subnational governments committed to reaching net zero emissions by 2050 - or earlier.



As Governor, I am eager to contribute our efforts toward the Coalition's goal of reaching net zero emissions by 2050 or earlier. We are outlining realistic steps to achieve this. Subnational governments play a crucial role in implementing climate actions. As local leaders, we appreciate the impact of climate change on people's everyday lives, affecting living and working conditions. That's why **it's more important than ever for states, regions and other subnational governments to come together to address climate issues.** This must be done for our children and future generations to have a safe Earth, and I am proud that by joining the Under2 Coalition, Taraba will contribute to this great challenge.

Governor Agbu Kefas, Taraba State, Nigeria

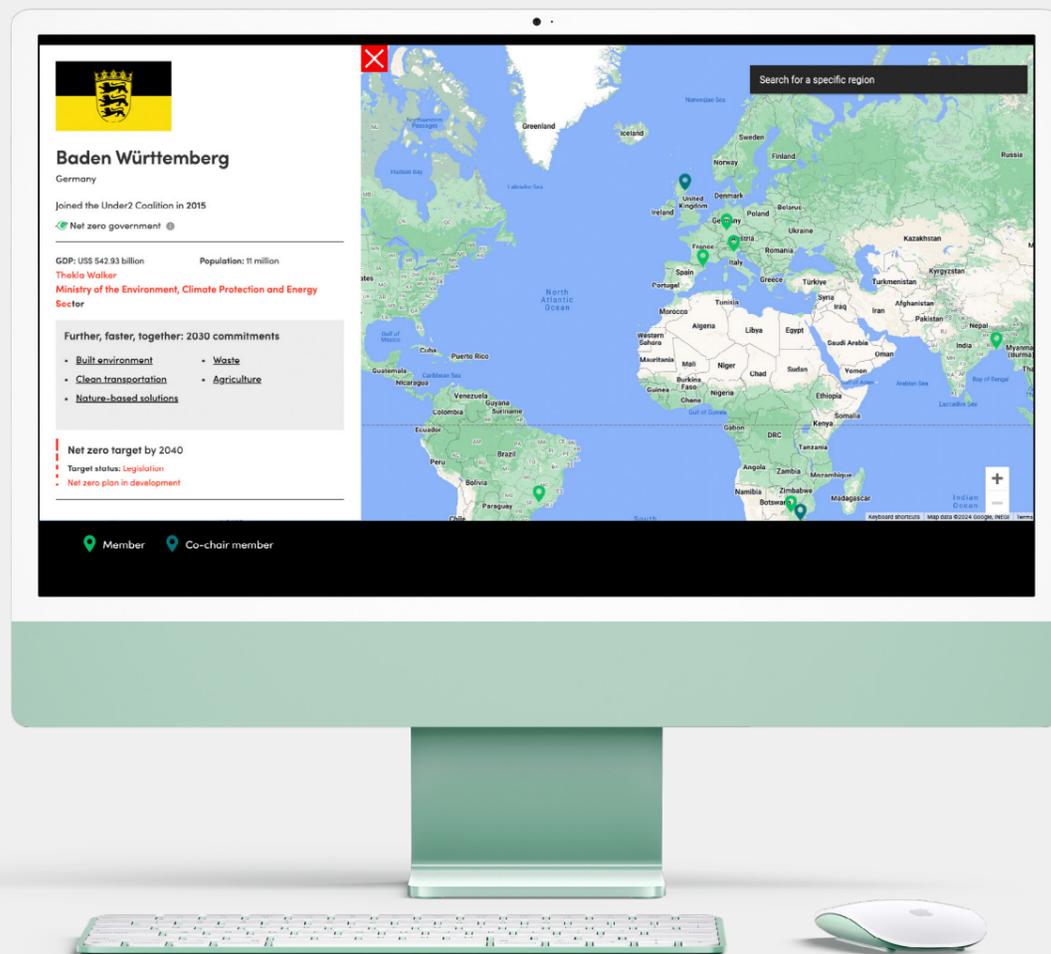


Explore the Under2 Coalition Global Members Map

Members have the opportunity to drive greater climate transparency by reporting their data to the [Under2 Coalition Ambition Tracker](#).

Based on this data, we have created the Under2 Coalition Global Members Map, featuring a climate leadership profile for each of our members that have submitted data. The profiles showcase climate targets and leadership, engagement within the Under2 Coalition and other key climate information: boosting both influence and credibility.

Share your government's climate leadership with your network as part of the Under2 Coalition by submitting your data to the Under2 Ambition Tracker, today.



Meet the Under2 Coalition video

In 2023, we published our first [Under2 Coalition video](#), highlighting the meaningful work and impact of our states and regions.

The video is available for downloading on our Members Hub and can be used at conferences and events by members like you to help tell the story of subnational climate action.



Accelerating action by increasing global policy and knowledge implementation

This year we developed our programmatic roadmap, which is focused on mitigation, adaptation and resilience, and climate finance. The roadmap is part of our overarching goals to deliver net zero by 2050 with greater prosperity for all, through a just and equitable transition, and driving greater subnational accountability.

To achieve our goal for a world of net zero carbon emissions by 2050, our work has focused on mitigation in systems with the highest emissions and where governments have the jurisdictional powers to drive change. Our work to date has been mostly on emissions reduction target setting. In addition to reducing carbon dioxide emissions, there is a recognition following the Global Methane Pledge, that reducing methane emissions with their greater global warming potential, can help with reducing near-term warming. State and regional governments can play a significant role in this, particularly in sectors such as agriculture and waste.

At COP26 and COP27, adaptation and resilience and loss and damage became headline issues. Since these COPs, the Under2 Coalition secretariat has worked closely with Regions4, a sister network of regional governments focused on adaptation and resilience, to see where we can align our programmatic, advocacy and communication efforts.

Finance is important to support both mitigation and adaptation, as significant financial resources are required to meet the ambitious climate goals. Of the funds that are currently mobilised, most flow to national governments and are skewed towards mitigation, with only 7% for climate adaptation. For subnational governments, gaining financing for adaptation is even more of a challenge, as the main sources of revenue are either from national governments or self-generated financing.

We know from our work, that both agendas are of critical concern. At the international level, various initiatives are seeking to reform international financial institutions (IFIs) to ensure greater financial flows to and between national governments in developed and vulnerable economies (such as the Bridgetown Initiative). Of the funds that do exist, financial flows from national to subnational governments are inconsistent or often lacking. Yet, as the level of government closest to communities, subnational governments have a critical role to play in mitigation and adaptation. Increased finance, and access to finance, is critical if we are to enable systems change and help countries adapt to a changing climate.

With those considerations, we developed new projects and programmes and continued to deliver existing ones and as part of our global implementation effort.





Net Zero Futures Policy Forum

The Net Zero Futures Policy Forum, a dynamic initiative co-chaired by New South Wales and Scotland, is driving global partnerships and practical collaboration on reaching net zero. Key policy areas, including nature-based solutions and green hydrogen, have taken centre stage, driving peer-learning and impactful outcomes.

In November 2023, participating governments came together in a Learn, Engage and Discuss (LEAD) session on green hydrogen. With insights from South Australia

and North Rhine-Westphalia (Germany), the session explored their pioneering journeys in hydrogen production, supply chain development, community engagement and private sector involvement. As part of the project, we published "Achieving Net Zero through Nature" in December 2023, with six case studies that highlight how members are deploying different programs, investment strategies or policies to support net zero and nature positive outcomes.

Furthermore, the Senior Official Group (SOG) meetings, convened monthly, explored diverse issues such as COP28, off-shore wind and advisory bodies on climate change policies. The group also met in person at COP28 Dubai - engaging with international states and regions on the support that the project can offer practitioners. Looking ahead, we're excited to reconvene in early 2024 with four SOG meetings and LEAD practical sessions.



Just Transition Taskforce

The Just Transition Taskforce (JTT), a collaborative initiative between the Scottish Government and Climate Group as secretariat of the Under2 Coalition, is accelerating progress towards an equitable, low carbon economy.

Comprising global states and regions, the JTT identifies opportunities for collective and individual action. It acts as a vital platform for subnational governments, bridging knowledge gaps between the global north and south while driving meaningful change in just transition efforts.

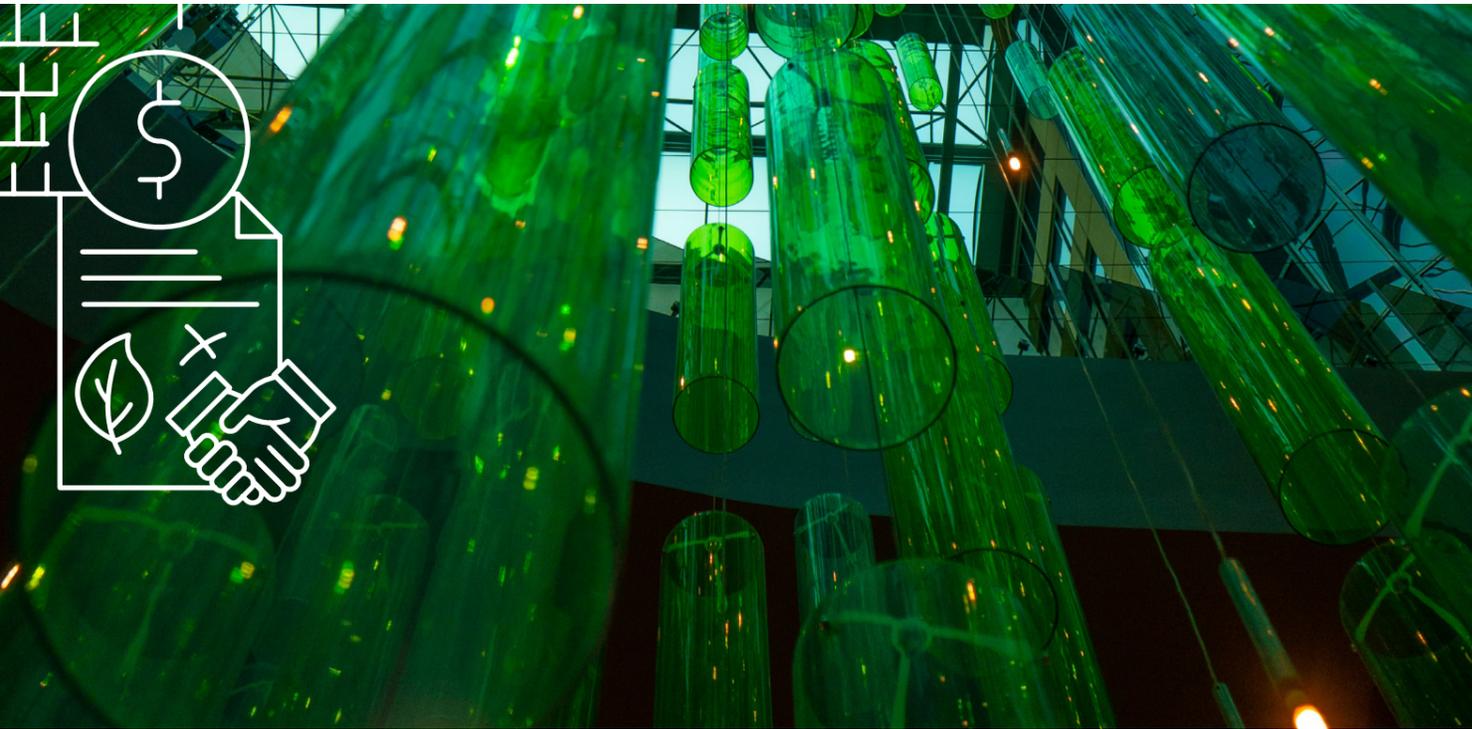
In March 2023, the JTT successfully concluded its first phase, convening three times to provide practical support in developing policy approaches for achieving equitable net zero targets and enhancing the understanding of global just transition issues. Project activities were designed to address pressing issues identified during one-to-one interviews with governments. The JTT also contributed to knowledge-sharing and showcased best practices across the Under2 Coalition and the broader climate community. Notable publications include:

- Our [internal analysis and case studies on a just and equitable response to COVID-19 in California](#)
- [Gender, equity and participation in Cross River State, Nigeria](#)
- [Act local, align global: a Welsh just transition story.](#)

All of these have been instrumental in highlighting policy examples of just transition action at the state and regional level.

In September 2023, the second phase of the JTT, funded by the Scottish Government, was launched. With active participation from 11 subnational governments, we expanded the taskforce through the inclusion of a further ten Coalition governments. Discussions initiated at COP28 focused on an inclusive approach to just transition and accelerating equitable net zero efforts. The current phase of the project will conclude in February 2024 and will feature peer forums addressing critical issues such as governance, finance, and resource mobilization for a just transition.

**Just >>>>
Transition
Taskforce**



Finance Fit For Change

Funding for climate action and policies at the subnational level is essential to keep global warming to a minimum, especially as state and regional governments represent over 50% of all environment and climate spending.

With that key consideration, in 2023 we surveyed European and North American governments to understand how states and regions might access or generate financial resources to support climate mitigation goals, as well as how they might use (spend) those resources to realise climate mitigation outcomes. We also looked at the potential of those resources to mobilise additional investment by other parties and to create an environment that supports other actors to raise and use resources for climate mitigation.

While there are clear differences in levels of subnational autonomy, the report made a number of recommendations on how governments can make better use of climate finance and the support they need to do so.

Opportunities highlighted include:

- Greener procurement, where subnational governments spend proportionately much more than national governments;
- Tailored incentives and regulations for private sector investors to align government and business action;
- Better support for states and regions in accessing existing finance sources and understanding different mechanisms for raising climate finance in a sustainable way.



ZEV Community

Supported by the Scottish Government and the ClimateWorks Foundation, the ZEV Community brings together all levels of government to share and learn about global ZEV (zero emissions vehicles) initiatives.

In 2023 we explored the challenges of financing zero emission transport infrastructure, particularly in remote areas, through events and best practice examples. You can check out one of the latest case studies from the project in this piece on [Queensland's Electric Super Highway](#).

We'll continue to bring the community together in 2024 to share solutions and map out key barriers on electrification of medium and heavy-duty vehicles. To understand what stands in the way of e-trucks and e-buses taking a more prominent position on our roads and contributing to reduced emissions overall.





Inaugural resilience series

In partnership with the Lloyd's Register Foundation, Climate Group organised a series of engaging events throughout 2023.

Building on the Foundation's World Risk Poll, which investigated the global perceptions of personal safety risks and climate-induced disaster vulnerabilities, this series convened a diverse cohort of actors, including government officials, NGOs, disaster risk experts, businesses, researchers and community representatives. The objective was to capture their knowledge and findings so that these can be used for practical, collaborative action in building resilient societies.

The resilience series gained momentum in the latter half of the year. It commenced with a webinar focused on using data to understand and enhance climate resilience. Subsequently, a closed-door

roundtable at Climate Week NYC brought together senior officials from governments, academia, development organisations and businesses for the event "From Insights to Action: Using the World Risk Poll to Inform Climate-Resilient Societies." This was followed by discussions on climate resilience at the General Assembly at COP28. The session, titled "Bridging Perspectives: Subnational Insights on Climate Resilience in a Fast-Changing Reality" highlighted diverse perspectives on resilience, emphasising the crucial role of data in addressing climate threats at the community level. An impact report detailing the outcomes of these events and discussions will be published soon.

Future Fund

The Future Fund enables climate action in developing and emerging economies by providing direct funding to beneficiary governments primarily located in the Global South.

Each year, the funds are sourced from contributions made by members of the Under2 Coalition and are utilised to implement capacity-building projects, knowledge sharing secondments and participation in important climate events in local languages.

In 2023, the Future Fund supported projects for the Association of Regions in Morocco (ARM) and the government of Rio Grande do Sul in Brazil. Additionally, it facilitated four knowledge exchanges on various topics for governments in Asia, Africa, and Latin America and offered financial assistance for four government representatives to attend Climate Week NYC or COP28. For detailed information on the specific

projects and activities supported by the Future Fund in 2022 and 2023, please refer to the 2023 Future Fund Impact Report, which provides a comprehensive overview of the funded initiatives.

In September 2023, the addition of the Bentley Environmental Foundation as a new funder enabled a further three capacity-building projects to be funded in KwaZulu-Natal (South Africa), Pernambuco (Brazil) and Tucumán (Argentina). Through these projects, Climate Group and the Bentley Environmental Foundation hope to empower more governments to address climate change and drive sustainable development in their respective regions.





India

To enhance the technical capabilities of Indian states, facilitate knowledge exchange, foster peer learning, and strengthen interdepartmental coordination, we launched the second cohort of State Climate Fellows in four Indian states this year – Punjab, West Bengal, Tripura, and Madhya Pradesh, along with a Union Territory, Ladakh.

These dedicated, skilled and dynamic professionals help to advance state-specific climate strategies: aiding the alignment of state-level climate objectives with the overarching national ambition.

The State Climate Fellows played a pivotal role in providing technical expertise for the planning and implementation of state climate actions in 2023. Their efforts contributed significantly to strengthening coordination among various stakeholders involved in climate-related initiatives. Read our full brochure capturing the outcomes achieved during this time.

We continued to profile our work through strategic partnerships in 2023, including co-organising the Youth20 (Y20) Chaupal with the Y20 Secretariat during India's G20 Presidency. This forum highlighted the role of youth in driving subnational climate actions via initiatives such as the State Climate Fellowship and others. Participants, including students, young professionals and our Fellows, also discussed youth engagement in subnational policymaking and opportunities for green jobs in the region.

Later in the year, our Fellows also participated in the Local Conference of Youth (LCOY), India 2023, as young speaker experts and helped to draft a youth recommendation report. This report fed into the global COY and was subsequently presented during COP28 by the Union Minister for Environment, Forest, and Climate Change.

To ensure a more joined-up approach to our work and to speed up emissions reduction, this year we began to integrate systems work more into our state-level priorities. As part of this, we organised our second state-funder roundtable in March, which brought together seven Indian states and five leading philanthropies to exchange strategies, visions and partnerships to boost subnational climate action in India.

The team organised a panel discussion, highlighting the leading role of 'Women in India's climate governance'. Senior leaders from five regions – West Bengal, Bihar, Kerala, Tamil Nadu and Delhi – shared insightful stories on their leadership in driving state climate actions. We then finished off the year by launching a [Subnational Leadership Interview](#) series to spotlight state climate leadership in India.

As part of the Indian states climate leadership project, we published a [case study](#) from Under2 Coalition signatory Telangana on India's first state-led cool roof policy.



Our impact - Americas



Green Recovery Alliance

The Green Recovery Alliance has made significant strides in promoting a sustainable and resilient future through its tailored guidance initiative.

Through its analysis of federal infrastructure and stimulus funding, the Alliance identified key programs, conducted sector-specific briefings and engaged with 26 state and local jurisdictions. The guidance developed ensured that funds were accessed for green recovery, contributing to sustainable infrastructure and renewable energy projects. The Alliance's efforts facilitated discussions, mapping of vulnerable populations and collaboration between states: laying the groundwork for a more sustainable and equitable future.

In 2023, the Alliance provided technical assistance to New York State, Hawaii, the city of Oakland, and six localities in Northern Virginia. Through one-on-one support, the Alliance assisted in accessing IIJA and IRA funds, EPA applications and planning for greenhouse gas reduction. Peer learning and analysis equipped these groups to make informed decisions about infrastructure investments. All webinars and briefings have been published so that they can support subnational governments in their pursuit of a green recovery.

Deforestation-free cattle ranching in Madre de Dios, Peru

This project encourages sustainable agriculture and livestock practices to recover and regenerate forests in the Peruvian Amazon while contributing to local economic development.

In September 2023, the project concluded its second phase, with Climate Group delivering a seminar alongside seven Amazonian states on the role of regenerative cattle ranching in halting land degradation, improving soils, increasing yields and reducing deforestation.

In November 2023, the UKPACT Green Challenge Fund approved a final third

phase of the project titled: "Consolidating advances and moving towards institutional sustainability". Climate Group will support this through a series of peer forums on finance flows for nature-based solutions, a communications strategy aimed at the hospitality, restaurants, cafeterias sector to drive awareness of deforestation-free meat in Madre de Dios and an event at Climate Group's US Climate Action Summit.



Working to raise the voice and visibility of states and regions towards greater multilevel climate action, higher ambition and accountability

2023 saw the first ever Global Stocktake (GST) – a formal mechanism for measuring global progress against the goals of the Paris Agreement. The outcomes of the GST, which concluded at COP28, are pivotal in illustrating the state of climate action and set concrete guidance to help states stay on track. They also set the stage for more ambitious Nationally Determined Contributions (NDCs) from national governments in the next 24 months – as the Paris Agreement turns 10 at COP30 in Brazil in 2025.

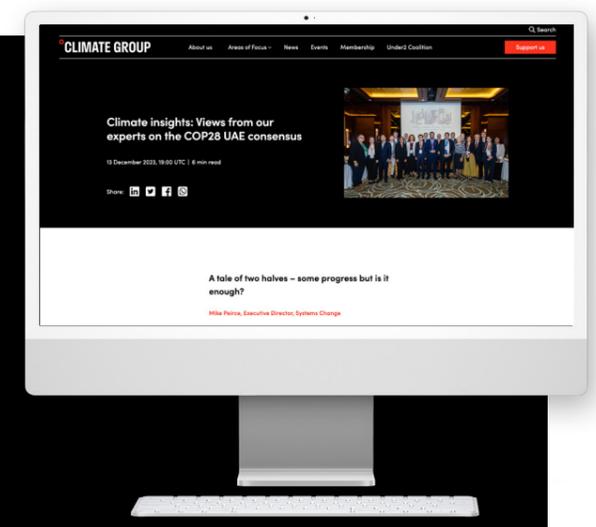
We represented states and regions within the Global Stocktake process and at the Global Stocktake Intersessional 2023 October Workshop in Abu Dhabi, in recognition of their vital role in implementing the Paris Agreement and as part of our advocacy efforts across 2023. As drivers of local climate action, it's essential that the role of subnational governments is recognised and that they are able to contribute to international climate processes.

Our advocacy efforts continued to be underpinned by engagement with you through regular advocacy webinars, which enabled us to share emerging intelligence on climate action and plan for key moments across the year. We thank all of the government officials who engaged with us in 2023 and encourage more governments to join these calls in 2024.

Read our analysis

Climate insights:

Views from our experts on the COP28 UAE consensus





Driving ambition, action and accountability

Subnational inclusion in Paris Agreement processes

Historically, the Paris Agreement has recognised the role of subnational governments by acknowledging the role of non-Party stakeholders (stakeholders that drive action but cannot be Parties to the multilateral treaty). As shown by research on the powers and capacities of state and regional governments, subnational governments hold important hard and soft decision-making powers and drive decarbonisation of major high-emitting economic sectors. They can therefore offer valuable inputs in implementing climate targets.

The Local Government and Municipal Authority constituency (LGMA) represents cities and regions in the UNFCCC process of the Paris Agreement. In 2023, we worked in partnership with them and other key organisations such as Regions4 and the Committee of the Regions to develop a strong joint position for COP28, based on consultations with Under2 Coalition states and regions.

We also worked with the LGMA to provide subnational inputs to the Global Stocktake (GST). Through this engagement, we were able to ensure that the priorities of states and regions were reflected in the synthesis

report of the technical phase of the GST. We also co-created LGMA's joint response to the political phase of the GST's open submissions. Elements of that joint response were reflected in the synthesis report, which formed a key basis for our negotiation strategy at COP28. We then facilitated subnational government engagement with the negotiations themselves, through the LGMA, and developed a <https://www.cities-and-regions.org/about-the-lgma/joint-position-paper> that was endorsed by 65 government and partner organizations.

At a High-Level Roundtable on Driving Subnational Leadership to strengthen global climate action, leaders from the Coalition discussed how best to integrate states, regions, provinces and other sub-nationals in the planning, financing, implementation, and monitoring of climate strategies.

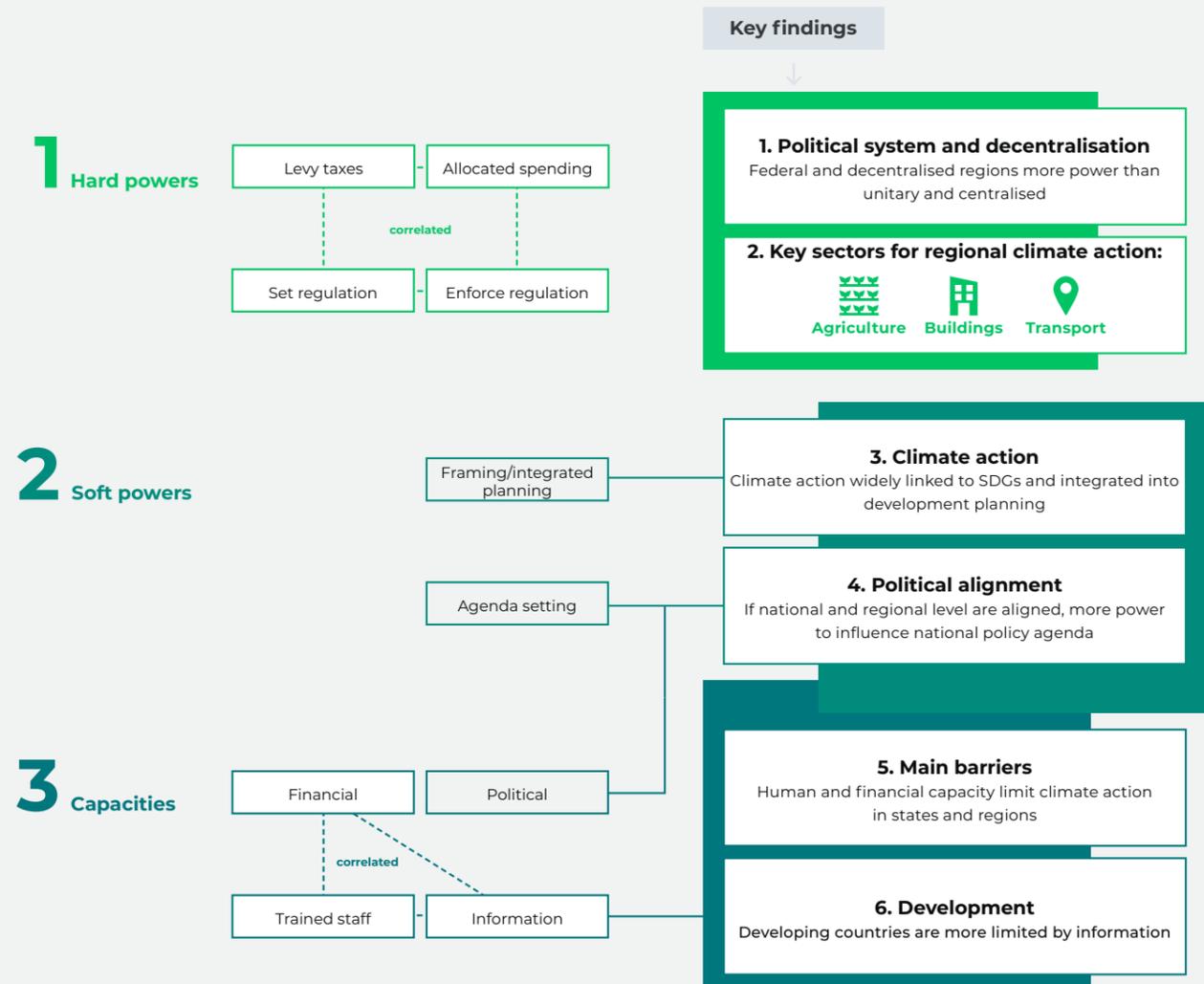
In the medium to long term, participants were keen to explore the idea of Subnationally Determined Contributions and how they can be officially recognised under existing multilateral processes.

Voice, visibility and accountability

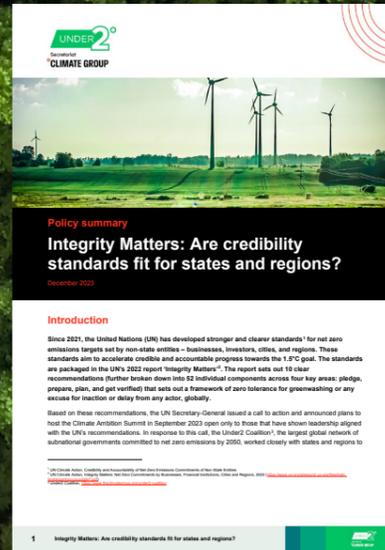
Thanks to this engagement, and the work of the LGMA constituency, our advocacy resulted in seven relevant paragraphs mentioning state and regional governments being included in the Global Stocktake – including the explicit recommendation for national governments to “accelerate delivery through inclusive, multilevel, gender-responsive and cooperative action.” Subnational advocacy also ensured

five relevant paragraphs on non-Party stakeholders entered the Global Goal on Adaptation. There is now an opportunity to localise and regionalise adaptation action, which is appropriate as subnational governments are often the first responders in climate emergencies.

Hard and soft powers and capacities



Hard and soft powers and capacities of states and regions, New Climate Institute, 2023



Integrity Matters: Are credibility standards fit for states and regions?

Integrity Matters

The United Nations published its ‘[Integrity Matters](#)’ report in 2023, outlining 10 recommendations for net zero emissions targets set by non-state entities. These standards aim to accelerate credible and accountable progress towards the 1.5°C goal. The report was launched in 2022 at COP27 and acted as a guiding framework of global standards and requirements related to net zero commitments.

Based on these recommendations, the UN Secretary-General issued a call to action and announced plans to host a Climate Ambition Summit in September 2023, which was open only to those showing leadership aligned with the UN’s recommendations. Nearly a fifth of the Coalition submitted their transition plans, and the secretariat worked closely with them and the UN Secretary General’s Climate Action Team to identify those meeting the standards. Nine governments were ultimately invited to the Summit, marking a huge opportunity to raise their voice and visibility alongside world leaders and highlight where we’re

making progress on climate change. Read the Chair’s summary [here](#).

Following the Summit, the secretariat published its [first policy summary](#), asking: do the global climate leadership standards work as a framework for states and regions? Our analysis of the received transition plans identified opportunities to both strengthen these standards and use them to build state and regional capacity. We found that Under2 states and regions are engaging with the UN’s clear accountability leadership directive, irrespective of whether they belong to high-income or middle and low-income economies. However, responses varied greatly across the key areas of pledge, prepare, plan and verify. Subnational governments showed the greatest strength in being able to announce a science-based net zero goal and putting in place transition plans to support net zero goals. The areas of ‘prepare’ and ‘verify’ are where subnational governments need the greatest level of clarity and support to align with global accountability standards.



The Coalition for High Ambition Multilevel Partnership and the Local Climate Action Summit

We worked with the UAE COP28 Presidency, Bloomberg Philanthropies and our partner networks to elevate the role of multilevel action through the [Coalition for High Ambition Multilevel Partnerships \(CHAMP\)](#)



for Climate Action, which was published at COP28 and endorsed by more than 70 countries. The initiative aims to enhance multilevel cooperation with cities, towns, states and regions in planning, financing, implementing and monitoring climate strategies, including on NDCs, National Adaptation Plans (NAPs), National Biodiversity Strategies and Action Plans (NBSAPs) and Long-Term Low-Emission Development Strategies (LT-LEDS).

In line with driving a stronger role for subnational governments, the COP28 Presidency also convened the first ever [Local Climate Action Summit \(LCAS\)](#) for governors and mayors as part of the formal agenda at COP28. Subnational leaders from across the world took to the COP plenary stage for the first time to highlight their role in driving transformational change and to call for greater collaboration.

Uniting Leaders, Driving Change: Under2 Coalition General Assembly at COP28 UAE

The Under2 Coalition General Assembly was held in Dubai on 3 December. This was the Coalition's biggest meeting to date, with over 65 subnational governments joining businesses and civil society for a day of talks and activities aimed at uniting leaders, driving change.

In a packed agenda, governments heard from Paris Agreement architect Laurence Tubiana, and former UN Secretary General Ban Ki-moon, as well as Governors and Ministers from across Africa, Asia, Europe and the Americas.

Under2 Coalition co-chairs - Chungnam in South Korea, KwaZulu-Natal in South Africa and Scotland in the United Kingdom - used their platform to press their fellow states and regions on the need for a stronger approach to the phase out of fossil fuels, a focus on just transition and a renewed commitment to resilience and adaptation.

The General Assembly concluded with a series of sessions focused on specific climate issues, ranging from methane emissions to a just transition, sustainable steel and climate finance. These brought together experts with governments and businesses keen to take new information back to their states and regions so that they could do more on the ground where they live.

There were also discussions around the application of accurate and timely data in building up local climate resilience. With one of the key themes of COP28 being the need to adapt to changing conditions, this was a timely way of thinking through new ways of protection people and ecosystems in the most effective ways possible.

The big challenge over the next year will be maintaining the momentum of COP28 and ensuring states and regions remain at the centre of environmental discussions and decisions - where they belong. [Read our full report](#) of the General Assembly and COP28.



Subnational Climate Action Leaders' Exchange

The Under2 Coalition is a partner to the Subnational Climate Action Leaders' Exchange (SCALE), launched by Bloomberg Philanthropies and the US State Department at COP27. SCALE is a platform for institutions and coalitions working together to speed up climate action. It focuses on enhancing global cooperation between cities, states and regions and national governments, and reinforcing efforts to strengthen cross-sector, horizontal connections (including with civil society/NGOS, multilateral development banks and other multilateral institutions, philanthropies, private sector, research and academic organisations).

Marking a completed year of SCALE, we co-hosted an event at COP28 where we supported the launch of Lowering Organic Waste Methane Initiative (LOW-Methane) – an initiative aimed specifically at the waste sector with the objectives of cutting at least 1 million metric tons of annual waste sector methane reductions well before 2030 through the work of 40 subnational jurisdictions and unlocking over \$10 billion in investment.

Sectoral leadership: Further, faster, together

Fossil Fuels

The Under2 Coalition partnered with C40 at COP28 to host an event on “subnational leadership in phasing out fossil fuels and accelerating a just energy transition.” The session aimed at exploring the existing and potential leadership of states, regions and cities on fossil fuel phase out. With representatives from both subnational governments and cities, speakers discussed opportunities and barriers to fully enabling subnational governments to take bold action on fossil fuels, as well as key solutions and collaborative opportunities to pursue.

At the Climate Action Summit, held in the margins of the UN General Assembly in September, Governor Newsom received a round of applause for calling out the climate crisis as a fossil fuel crisis, which needs to be tackled as one. He also announced California's intention to sue big oil and gas companies for the damage they have done – and continue to do – to the natural environment.

Subnational Methane Action Coalition

Through the leadership of our North America co-chair, California, the Subnational Methane Action Coalition was created. It aims to develop collaboration with jurisdictions that oversee and regulate key sources of methane such as agriculture, energy and landfills to share goals and best practices in reducing the short-lived climate

pollutant that accounts for almost 30% of current global warming and is 80 times more potent than carbon dioxide over a 20-year period.

The Coalition was initially created during Climate Week NYC, with a formal launch at COP28. It now brings together 16 subnational jurisdictions (California (US); Querétaro (Mexico); Gauteng (South Africa); Espírito Santo (Brazil); Cross River State (Nigeria); Yucatán (Mexico); Delhi (India); Colorado (US); Rio Grande do Sul (Brazil); Pernambuco (Brazil); Baden-Württemberg (Germany); British Columbia (Canada); Santa Cruz (Bolivia); Andalusia (Spain); Gyeonggi (South Korea)). Under2 Coalition secretariat was supporting the co-chair in this effort and will work together with other partners in the effort such as the UC Berkeley Center for Law, Energy, and Environment to work with state agencies and Initiative members to create action plans, track progress, organize regular peer-to-peer learning opportunities, and share best practices.





Supporting greater regional leadership

European Ministerial, Brussels

Under2 Coalition governments from across Europe met in Brussels for their annual ministerial meeting in June 2023, hosted by the Scottish Government. Ministers and state secretaries from Andalusia, Baden-Württemberg, the Basque Country, Catalonia, Emilia-Romagna, Lombardy, Navarra, North Rhine-Westphalia, Scotland, Västra Götaland and Wales were joined by Ambassador Fuentes Milani, Deputy Permanent Representative of Spain to the EU, who gave his insights on the upcoming Spanish Presidency of the EU Council and issued a call to action to keep the 1.5 degree target alive.

During the roundtable discussion under Chatham House rules, ministers mentioned increasing inter-regional collaboration on key topics such as resilience and nature-based solutions, just transition and green jobs. Ministers also called for nations to give regional governments regular and direct access to national and international policy-making fora, to ensure that climate legislation avoids duplication and that regional realities are reflected in (inter) national frameworks. The EU Committee of the Regions praised regions for making efforts to include citizens in climate discussions to drive engagement.



Under2 Coalition European ministers and state secretaries - Brussels, 22 June 2023

Voice, visibility and accountability

Chungnam International Carbon Neutrality Conference, Naepo

Chungnam Province, Republic of Korea – Asia Pacific co-chairs of the Under2 Coalition held their International Conference on Carbon Neutrality in October 2024. The event which focussed on issues including steel and renewable energy was attended by delegates from a number of Under2 members and hosted keynote addresses by Chungnam Governor Kim Tae-heum and Climate Group CEO Helen Clarkson.

As one of Korea's most industrial province and home to the largest fleet of coal power stations in the country, decarbonisation is a pressing concern for Chungnam from both an environmental and economic

perspective. Together with our local partners Solutions for Our Climate, Climate Group have worked closely with the provincial government to establish the region as a leader in the debate on decarbonisation in the Republic of Korea.

A panel session on steel decarbonisation included representatives from Hyundai Motors and Hyundai steel who both operate in the province. Climate Group hosted a roundtable at the event which brought together civil society, steel buyers and representatives of the provincial government.



Gauteng Climate Change Summit, Johannesburg

Under2 Coalition member Gauteng hosted a Climate Change Summit towards the end of last year, in partnership with Thabo Mbeki African School of Public & International Affairs.

Gauteng is South Africa's economic hub, making it a significant driver of South Africa's climate emissions. However, the state also needs to build resilience in the face of climate change with a focus on just transition. This theme of the Summit was "Towards decarbonization of the economy and climate resilient society", which was used to focus discussions around the concerns of businesses, workers, women, youth and civil society.

Climate Group's Dr Champa Patel gave a keynote speech to open Day 2 of the Summit, calling for strong multi-level governance and collaboration between private and public stakeholders in the goal of achieving net zero emissions.

Our Africa engagement lead also hosted a panel discussion with Under2 governments Gauteng, KwaZulu-Natal and Western Cape on just transition in South Africa – focusing on green jobs and reskilling. Contributions were heard from both private and public stakeholders, bringing together the Climate Group extensive government and business networks.



Our governments have the power and knowledge to drive radical change in their jurisdictions and encourage other governments to follow their lead.



Moving into 2024 with ambition and confidence

The year ahead will continue to pose challenges as the threats of severe weather events grow and the international community comes under pressure to take more decisive action.

The Under2 Coalition will focus on four main themes as we push for progress in emissions reduction and explore how states and regions' needs can best be met when it comes to adaptation and resilience. Our priorities include:

- Advocating for subnational governments to play a full part in global and national climate processes, towards key outcomes at COP29 and COP30;
- Developing a greater understanding of how **climate finance** can build subnational governments' climate capacities and upskilling where possible;
- Tackling the ongoing issue of **methane emissions**, including through the Low Organic Waste (LOW) Methane Partnership and the Subnational Methane Action Coalition;
- Emphasising that the climate crisis is a fossil fuel crisis and we will not see progress without addressing the need to **phase out fossil fuels** once and for all.

The Under2 Coalition has the potential to turn the climate crisis around.

Our governments have the power and knowledge to drive radical change in their jurisdictions and encourage other governments to follow their lead. We'll support them in doing so with guidance from our co-chairs and steering group, who will be up for re-election this year. We thank those who have led us through the last two years and look forward to working with those taking the helm for the critical times ahead.

Whether it's through increased use of renewable energy, the development of sustainable transport systems or the roll-out of nature-based solutions, I have no doubt this will be another year of inspirational achievements. I look forward to seeing as many of you as possible throughout the year and taking our impact further, faster, together.

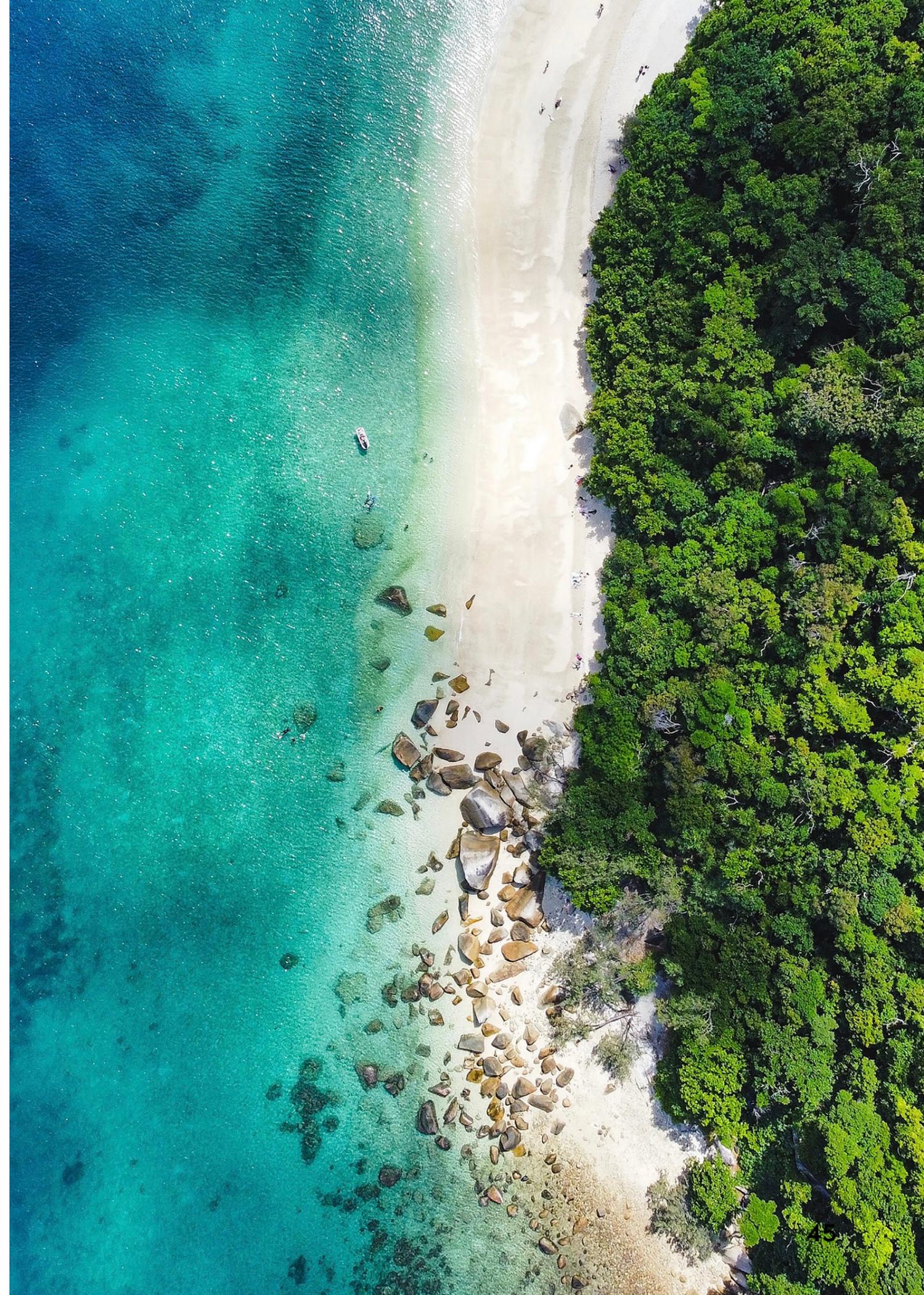
Nehmat Kaur Head of Under2 and Subnational Governments

Key Under2 moments to look out for in 2024

- Under2 Coalition Governance Elections – April – June 2024
- US Climate Action Summit – April 2024
- Climate Group Asia Action Summit – May 2024
- Under2 Coalition European Ministerial – June 2024
- Climate Week NYC 2024 – September 2024
- UN Summit of the Future – September 2024
- Under2 Coalition General Assembly at COP29 – November 2024

Thank you to our supporters and partners

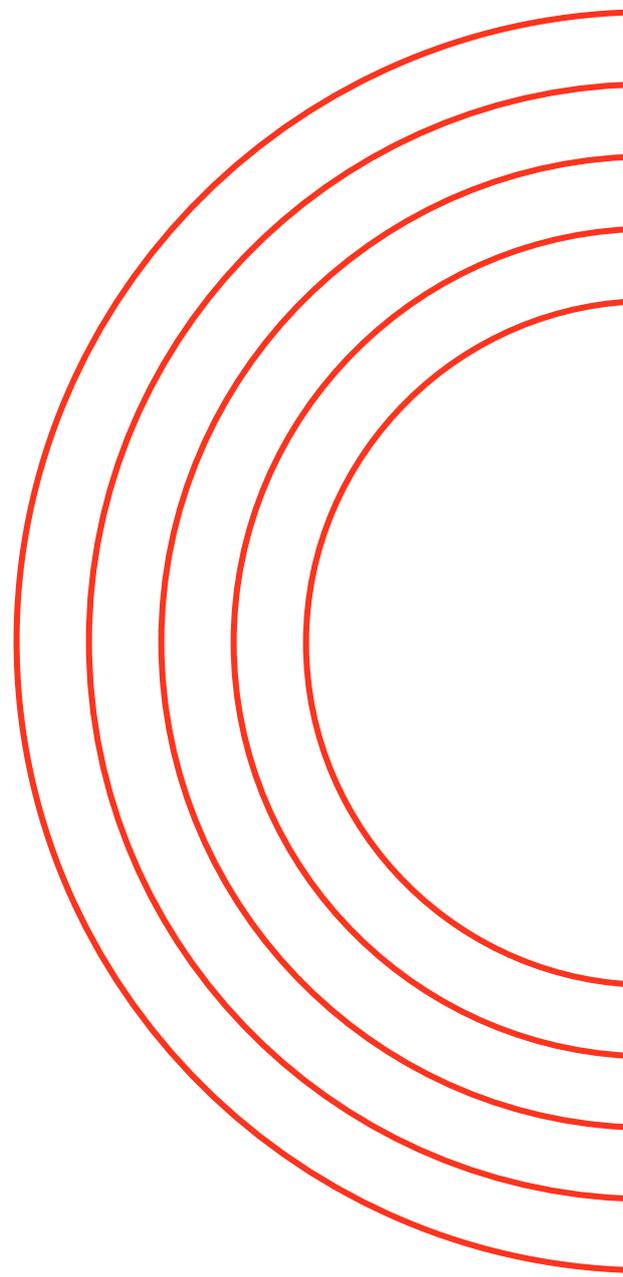
- Bentley Environmental Foundation (Future Fund)
- Bloomberg Philanthropies
- ClimateWorks Foundation
- Committee of the Regions (CoR)
- European Climate Foundation (ECF)
- Local Government and Municipal Authority (LGMA) - Cities and Regions in the UNFCCC Process
- Lloyd's Register Foundation
- MacArthur Foundation
- Regions4
- Stichting SED Fund (India State Climate Fellows)
- Swarniti Global (India State Climate Fellows)
- Government of Australian Capital Territory (Net Zero Futures Policy Forum)
- Government of Baden-Württemberg (Future Fund)
- Government of Navarra (Future Fund)
- Gouvernement du Québec (Future Fund)
- Government of Scotland (Just Transition Taskforce, Future Fund, Net Zero Futures Policy Forum)
- Government of the United Kingdom of Great Britain and Northern Ireland acting through the Foreign, Commonwealth & Development Office
- Government of Wales (Future Fund)
- Department of Environment, Parks and Water Security, Northern Territory of Australia (Net Zero Futures Policy Forum)
- Department of State Growth, Renewables, Climate and Future Industries Tasmania (Net Zero Futures Policy Forum)
- New South Wales Treasury, Office of Energy and Climate Change, Climate Change and Sustainability Division (Net Zero Futures Policy Forum)
- State of Queensland, Department of Environment and Science (Net Zero Futures Policy Forum)
- South Australian Department for Environment and Water (Net Zero Futures Policy Forum)
- State of Western Australia Department of Water and Environmental Regulation (Net Zero Futures Policy Forum)
- Victorian Government Department of Energy, Environment and Climate Action (Net Zero Futures Policy Forum)





Secretariat

CLIMATE GROUP



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