

ACCELERATING CLIMATE ACTION IN DEVELOPING REGIONS

Future Fund

Progress Report 2018



SECRETARIAT THE °CLIMATE GROUP



THE °CLIMATE GROUP

EMPOWERING DEVELOPING REGIONS TO ACT



At the Under2 Coalition General Assembly in Marrakech in 2016, the idea of the Future Fund was born. We recognized the need for a global response to climate change. We knew that developing and emerging economy regions, who are often most affected by climate change, had to play a fundamental part in this response. The Future Fund is our way of supporting those regions to play their part. Now, as we reach the Global Climate Action Summit, the message cannot be more strongly expressed. We need to not only step up our climate action but also to empower and strengthen those around us, to step up with us.

In the past year, we have supported more than eight state and regional governments from developing countries to strengthen their response to climate change. This report sets out how strategic support from the Future Fund enabled the state of West Bengal in India to update its climate change strategy for the first time in eight years and the state of Yucatán in Mexico to develop a plan to reduce emissions from government buildings. Following requests from our governments, we also facilitated secondment opportunities this year for staff from emerging economy regions to developed economy regions.

In our first two years the Future Fund has achieved a lot. This wouldn't have been possible without the financial support of the governments of Québec (Canada), Scotland (UK) and Wales (UK) in 2018, who continue to demonstrate their climate leadership. As ever, much remains to be done and I invite and encourage all governments, as well as philanthropic and individual donors, to support those with fewer resources to step up their climate action by contributing to the Future Fund.

Thank you in advance for your support.

A handwritten signature in black ink that reads "Tim Ash Vie".

Tim Ash Vie,
Director of the Under2 Coalition Secretariat, The Climate Group

The role of developing and emerging economy regions is fundamental in making a difference to the world's climate system. Not only can these regions contribute to a decarbonized world, but implementing mitigation measures can carry significant and much-needed health and socio-economic benefits to local populations.

Yet these regions have traditionally struggled to find resources to join international climate networks, participate in meetings, develop mitigation capacities or share lessons learned due to various resource constraints.

The Future Fund is intended to strengthen developing and emerging economies at the state and regional level to demonstrate bold climate leadership, build capacity, as well as facilitate knowledge-sharing between members of the Under2 Coalition, thereby furthering sustainable development in line with the Paris Agreement.

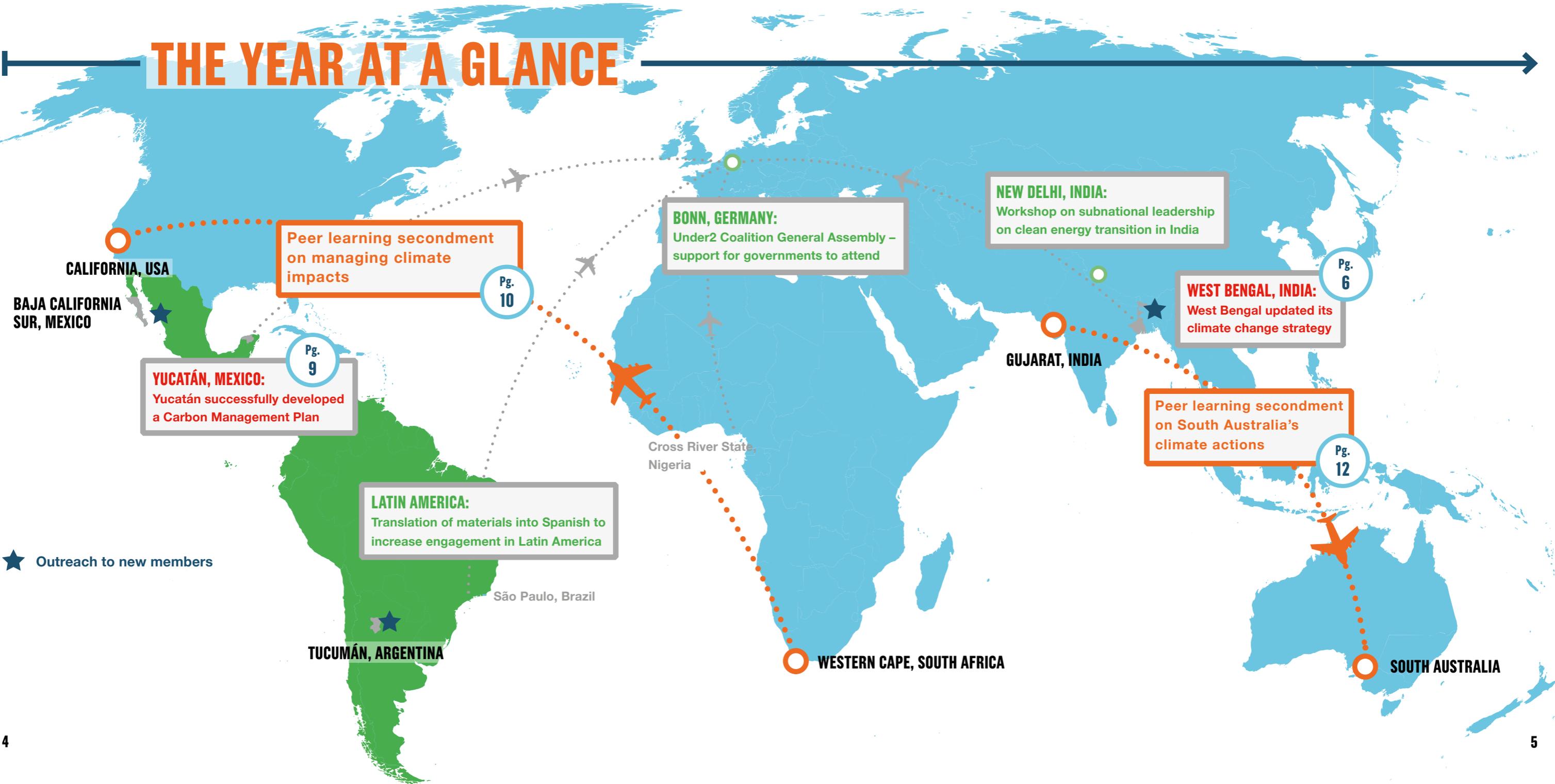


West Bengal, India

“WE ARE FACING SERIOUS CLIMATE CHANGE CHALLENGES AND INTERNATIONAL COOPERATION IS ESSENTIAL FOR LIMITING GLOBAL WARMING TO BELOW 2°C. THE UNDER2 COALITION FUTURE FUND ENABLES FRUITFUL COLLABORATION AMONG SUBNATIONAL GOVERNMENTS AROUND THE WORLD AND QUÉBEC IS PROUD TO CONTRIBUTE TO ACHIEVING THIS GOAL.”

-Isabelle Melançon, Minister of Sustainable Development, the Environment and the Fight Against Climate Change, Government of Québec

THE YEAR AT A GLANCE



WHAT WE FUNDED OVER THE PAST YEAR

UPDATING WEST BENGAL'S CLIMATE CHANGE STRATEGY

Last year, the Future Fund supported the state of West Bengal in India to complete a comprehensive review of their State Action Plan on Climate Change (SAPCC). This was of critical importance for the state; the plan had not been updated since 2010 and significant new scientific findings, updated data and new political scenarios meant an update was needed.

Political and administrative authorities have since been working to set specific targets to opt for 2050 emission reduction pathways to align with India's Nationally Determined Contribution (NDC) and the Paris Agreement. These include plans for a rapid estimation of the GHG footprint of the state (which has a population over 90 million), introduction of low carbon transport and avenues for technology transition in West Bengal through collaboration with other global regions.

The project included aggregating the latest scientific projections; revision and upgrade of climate change adaptation strategies; incorporation of mitigation strategies; webinars, capacity-building workshops and consultations; and externally showcasing the climate policy framework of West Bengal towards 2050. The project was completed in March 2018.



“WEST BENGAL IS STRENGTHENING THE STATE ACTION PLAN ON CLIMATE CHANGE, WHICH WILL PLACE THE STATE AMONG THE LEADING SUBNATIONAL ENTITIES WITH A WELL-THOUGHT-OUT STRATEGY. SUPPORT FROM THE FUTURE FUND HAS ENABLED THE STATE TO EMBARK ON THIS AMBITIOUS PROGRAM.”

- Mr. Arnab Roy, Principal Secretary for the Department of Environment, State of West Bengal

“OUR PRIORITY AS A SUBNATIONAL GOVERNMENT IS TO BUILD THE FOUNDATIONS FOR THE TRANSITION TO A LOW CARBON ECONOMY, SETTING THE EXAMPLE WITH ACTIONS TO REDUCE GHG EMISSIONS FROM GOVERNMENT OPERATIONS AND SETTING THE MECHANISMS TO EVALUATE THE RESULTS. WE HAVE TAKEN A STEP FORWARD TO THE ACHIEVEMENT OF OUR GOALS AND THE SUPPORT OF THE FUTURE FUND HAS BEEN A KEY ELEMENT OF THIS SUCCESS.”

**- Roberto I. Vallejo Molina,
Director of Planning
and Sustainable Policy,
Yucatán**

Yucatán, Mexico

WHAT WE FUNDED OVER THE PAST YEAR

TRACKING AND REPORTING ON EMISSIONS IN YUCATÁN

In 2017, the state of Yucatán in Mexico was awarded funding to establish an MRV (monitoring, reporting and verification) system. The new MRV system allows the government to track progress on their emissions reduction and mitigation actions as set out in Yucatán's Carbon Management Plan (CMP).

This project was carried out in partnership with the Carbon Trust and significantly improves on the current methodology for data collection and analysis of carbon emissions. As a result of the Future Fund grant, Yucatán's Secretariat of Urban Development and Environment (SEDUMA) has been able to set up a web platform (MRV System) for monitoring individual and collective progress of mitigation actions to reduce GHG emissions from government buildings, facilities, and vehicle fleets.

Project activities included the design, construction and testing of the pilot version of the MRV System (including introduction to users, analysis of data, generation of monthly and annual reports, and information disclosure); the development of a user manual; capacity-building workshops for local government officials regarding the use of the CMP MRV System; and sharing project results and exchanging experiences with peer government representatives through webinars and in-person meetings. The project was completed in June 2018.





Peer learning secondment on
managing climate impacts

WESTERN CAPE AND CALIFORNIA EXCHANGE ON MANAGING WILDFIRES AND DROUGHTS

In May 2018, officials from the province of Western Cape in South Africa travelled to California for a five-day peer-learning secondment focused on the management of climate impacts such as wildfires and droughts.

Western Cape has been profoundly affected by these types of climate impacts, so finding solutions to managing them had been highlighted as a key priority in the Provincial Strategic Plan (2014-2019). Additionally, the province had been struggling to mainstream climate change responses across their planning, budgeting and decision-making; something that California has succeeded at for a number of years.

After their experience in California, Western Cape will undertake an evaluation of their adaptation programs to date, reviewing the province's Climate Change Response Strategy, including placing more emphasis on the need for stronger coordination mechanisms internally.

“THE EXCHANGE WITH CALIFORNIA THAT WAS ENABLED THROUGH THE FUTURE FUND, HAS HELPED OFFICIALS TO IDENTIFY KEY AREAS OF FOCUS IN TERMS OF INSTITUTIONAL ARRANGEMENTS, FINANCIAL DELIVERY MECHANISMS AND POLITICAL/ADMINISTRATIVE LEADERSHIP THAT WILL ENHANCE AND ACCELERATE THE FUTURE IMPLEMENTATION OF THE WESTERN CAPE CLIMATE CHANGE RESPONSE STRATEGY AS A TRANSVERSAL POLICY FOR THE ORGANIZATION.”

- Minister Anton Bredell, Minister of Local Government, Environmental Affairs and Development Planning, Western Cape



WESTERN CAPE, SOUTH AFRICA



Western Cape, South Africa

**LAST YEAR'S
SECONDMENTS**

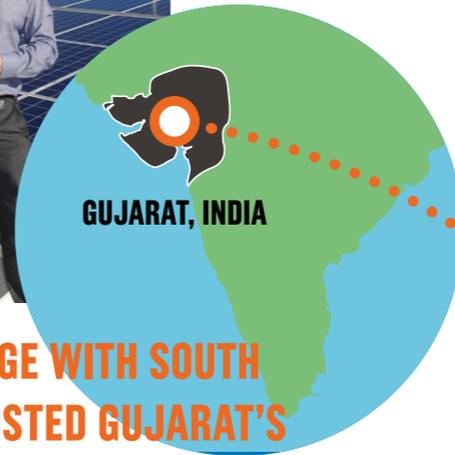
GUJARAT OFFICIALS TRAVEL TO SOUTH AUSTRALIA TO SHARE EXPERIENCE ON ENERGY STORAGE AND CARBON NEUTRAL CITY PLANNING

In November 2017, officials from the Indian state of Gujarat visited South Australia to share and learn across topics such as developing a 2050 roadmap, carbon neutral city planning, energy storage infrastructure and low carbon transportation.

The state of Gujarat wanted to understand South Australia's openness to innovation for low carbon technologies, how they have created jobs by tackling climate change and how they achieved 50% economic growth whilst lowering absolute GHG emissions by 9%.

Gujarat officials learnt from a wide variety of projects including South Australia's climate change resilience response, particularly around grid blackout issues.

After their experience in South Australia, Gujarat is considering carbon neutral city planning, as well as possible technology transfer in water and climate change adaptation sectors.



Peer learning secondment on South Australia's climate actions



“THE STAFF EXCHANGE WITH SOUTH AUSTRALIA HAS BOOSTED GUJARAT'S ABILITY TO RESPOND TO POWER OUTAGES AND HELPED US SHAPE OUR POLICY TO A LOW CARBON ROADMAP SUBSTANTIALLY. THIS EXCHANGE HAS ALSO ENHANCED BILATERAL COOPERATION BETWEEN BOTH OF OUR STATES TO ENABLE POSSIBLE TRADE TIES. WE'RE GRATEFUL FOR THE FUTURE FUND AND THE FUNDING GOVERNMENTS FOR THEIR SUPPORT.”

- Mr. Mukesh Shah, Joint Secretary, Gujarat Climate Change Department

OUTREACH AND ENGAGEMENT

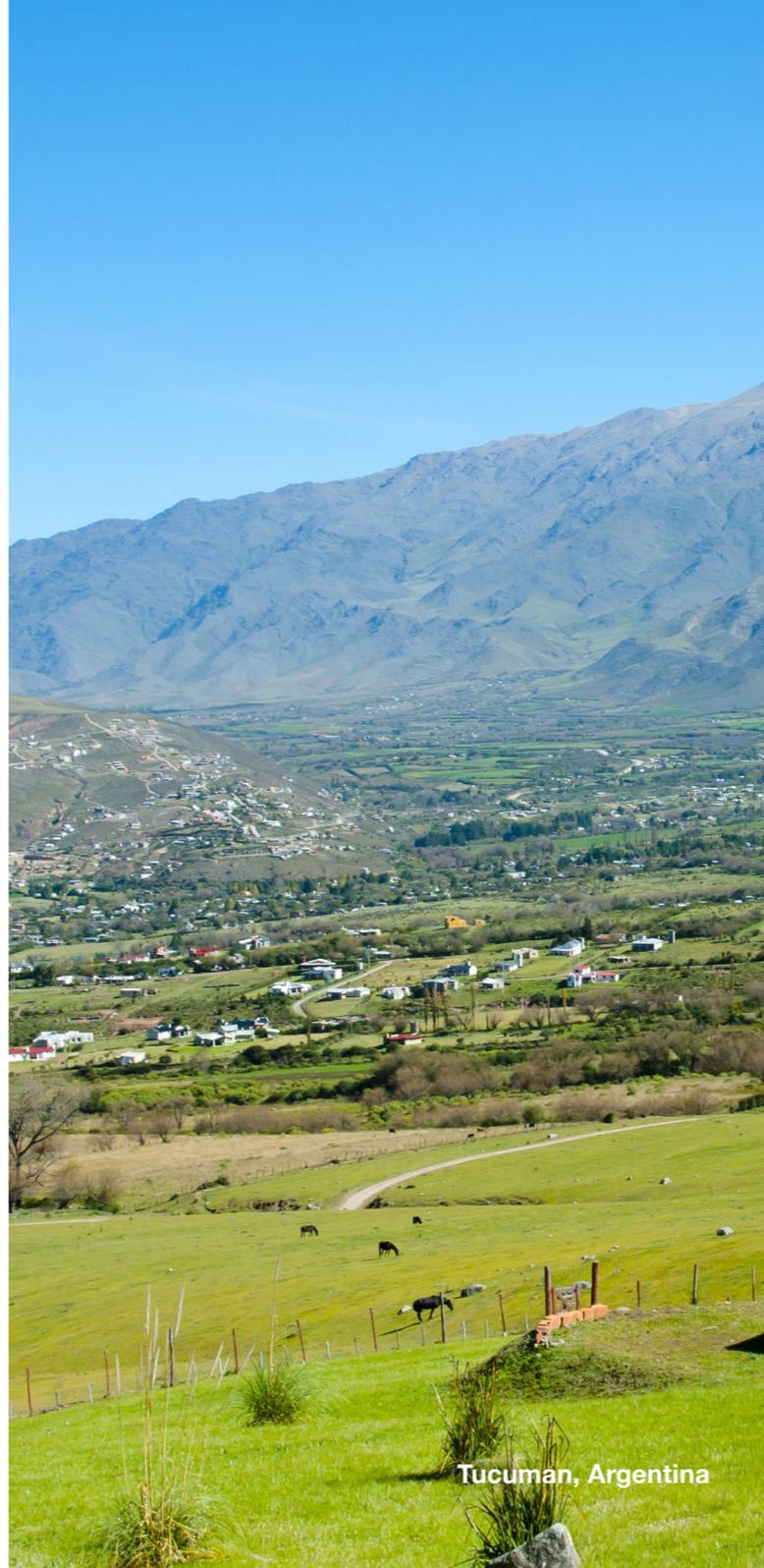
New signatories

The Future Fund has helped provide necessary resources to cultivate and enhance engagement with developing regions resulting in new Under2 Coalition members such as Tucumán in Argentina, Baja California Sur in Mexico and West Bengal in India, as well as a number of other states who will be announced at the General Assembly in California.

Webinars

Future Fund resources supported us to host a number of webinars (in both Spanish and English) over the past year dedicated to developing and emerging economy regions. A summary of these webinars is listed below.

- Introduction to 2050 Pathways for Africa webinar (January 2018)
- The Under2 Coalition and the Global Climate Action Summit introductory webinar (Hosted in Spanish – January 2018)
- Under2 Coalition Future Fund Webinar - to share the outcomes of the project in Yucatán, Mexico (Hosted in Spanish – February 2018)
- Fortifying West Bengal's State Action Plan on Climate Change to accelerate the clean energy transition - webinar to present the outcomes of the project (March 2018)
- Sierra Gorda webinar - to share the learnings from the state of Querétaro, Mexico, on its climate change response (Hosted in Spanish – April 2018)



Tucuman, Argentina

Clean Energy Transition in India

We hosted a workshop in India partially funded by the Future Fund and MacArthur Foundation to drive subnational leadership on the clean energy transition in India. The workshop was attended by 14 Indian states with the objectives of identifying challenges and opportunities to strengthen their climate change strategies, supporting the implementation of India's Nationally Determined Contribution (NDC) and introducing the Under2 Coalition as a knowledge sharing and discussion platform.

Translation

Resources from the Future Fund were instrumental in strengthening our engagement with Latin American member governments, as we were able to translate Under2 Coalition materials and documents into Spanish.

Attendance at the General Assembly

In November 2017, the governments of São Paulo (Brazil), Cross River State (Nigeria), West Bengal (India) and Yucatán (Mexico) travelled to COP23 in Bonn to attend the Under2 Coalition General Assembly. The travel costs for the heads of delegations were covered by the Future Fund.



Under2 Coalition General Assembly 2017



DEVELOPING A GREENHOUSE GAS INVENTORY SYSTEM IN THE STATE OF COLIMA

July 2018 - January 2019

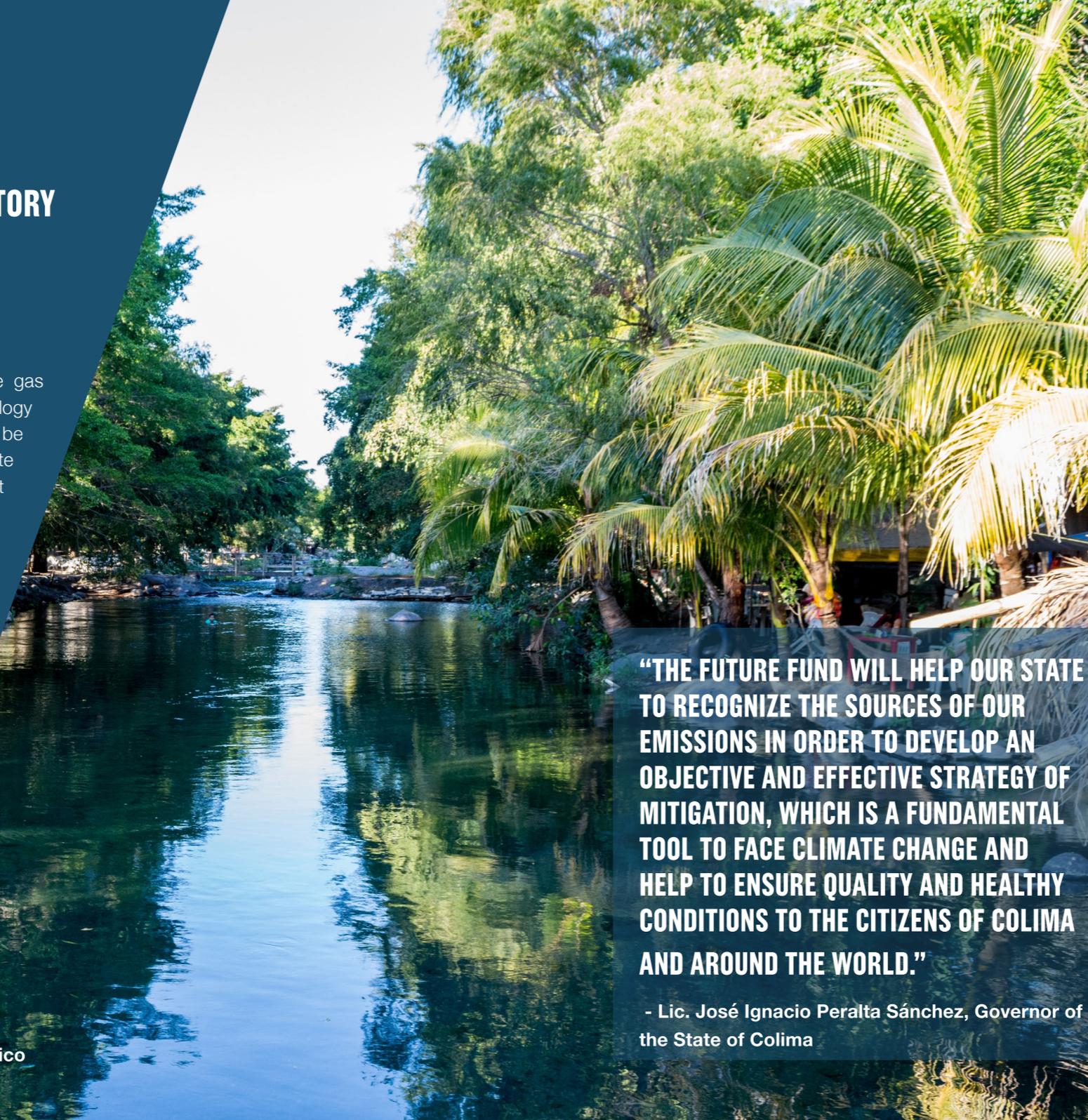
The project

The state of Colima in Mexico will develop a greenhouse gas inventory system according to the official guideline of the Ecology and Climate Change Institute of Mexico. The results will be used as a base to develop the mitigation chapter of the State Action Plan on Climate Change. Tracking progress against carbon reduction targets will enable stronger climate action in the state and help raise local public awareness of climate change.

Deliverables

- To generate a greenhouse gas inventory report which will include the methodology, results, observations, sources of the project and worksheets with tables and calculations.
- To share the lessons with Under2 Coalition members through detailed reporting on methodologies, results, encountered challenges and possible solutions.

Colima, Mexico



“THE FUTURE FUND WILL HELP OUR STATE TO RECOGNIZE THE SOURCES OF OUR EMISSIONS IN ORDER TO DEVELOP AN OBJECTIVE AND EFFECTIVE STRATEGY OF MITIGATION, WHICH IS A FUNDAMENTAL TOOL TO FACE CLIMATE CHANGE AND HELP TO ENSURE QUALITY AND HEALTHY CONDITIONS TO THE CITIZENS OF COLIMA AND AROUND THE WORLD.”

- Lic. José Ignacio Peralta Sánchez, Governor of the State of Colima

DEVELOPING 2050 PATHWAYS FOR A LOW CARBON TELANGANA

July 2018 – January 2019

The project

The state of Telangana in India will develop a 2050 pathway analysis, as well as energy and emission calculations for multiple technological options*.

The development of 2050 pathways and emissions calculations will cover several sectors including energy, transportation, agriculture, forestry and industry for carbon reduction planning with the aim of creating low carbon jobs and develop proxy measures of air quality and health.

Deliverables

- To develop an Excel tool and an interactive web portal for generating representative scenarios for alternative energy and a low carbon growth pathway for the state. This will be supported by scenario building exercises to forecast energy and carbon emission reductions of different scenarios.
- To organize two state-level workshops to socialise the outcomes and engage policymakers and civil servants.

*Subject to approval from the national government.

UPCOMING SECONDMENTS

TBC

Cross River State to visit another state*

Cross River State in Nigeria will undertake a secondment to learn how to manage land and forests sustainably and to use and protect lands from economic, social and environmental perspectives.

*Host state to be confirmed

São Paulo state to California

Officials from the state of São Paulo in Brazil will visit California in November 2018 to learn about developing 2050 pathways. As a major energy consumer in Brazil, the state of São Paulo wants to use their experience to support the development of their own 2050 pathway model in line with the Under2 MOU.

KwaZulu-Natal state to Victoria*

KwaZulu-Natal state from South Africa will head to the state of Victoria in Australia to learn about the state's new 'Boosting Business Productivity' program, which supports provincial municipalities and businesses to identify energy saving opportunities.

*This secondment is subject to final approval from the host government.

TRAVEL SUPPORT TO ATTEND THE GENERAL ASSEMBLY

Twenty-one state and regional governments from developing and emerging economy regions will be supported to attend the Under2 Coalition General Assembly and the Global Climate Action Summit in San Francisco in September 2018. The heads of delegations from the below regions will have their flight and/or accommodation costs covered:

Acre (Brazil), Amazonas (Brazil), Amazonas (Peru), Caquetá (Columbia), Chhattisgarh (India), Cross River State (Nigeria), East Kalimantan (Indonesia), Huánuco (Peru), Mato Grosso (Brazil), Pastaza (Ecuador), Quintana Roo (Mexico), Rondonia (Brazil), San Martin (Peru), São Paulo State (Brazil), Tabasco (Mexico), Tocantins (Brazil), Ucayali (Peru), West Bengal (India), Western Cape (South Africa), West Kalimantan (Indonesia) and Yucatán (Mexico).

OUR GOVERNANCE

The Future Fund is overseen by an Advisory Board which includes representatives from the governments of Jalisco, Québec, Scotland and Wales. The Advisory Board met twice this year to advise on strategic priorities, oversee the allocation of funds and steer the decision-making processes of the Future Fund. The three strategic priorities that we set, and indicative funding allocations, for 2018 were:

- 1. Capacity building and knowledge exchange (50%)** – to provide support to developing and emerging economy regions to develop 2050 pathways, innovative policy solutions and capacity to develop robust inventories through direct funding to selected regions and facilitation of peer learning on topics relevant to developing regions.
- 2. Expanding the network and active engagement (30%)** – recruitment and active engagement with governments from developing and emerging economy regions to commit to the Under2 Coalition's goals and participate in the Under2 Coalition's programs and events.
- 3. Management and scaling of the Future Fund (20%)** – to oversee the allocation of funding, prepare contracts, organize management, governance of the Advisory Board, input into scaling the Fund in subsequent years and publish summary reports.

Choosing which projects to fund

This year, The Climate Group received 24 project proposals from 44 eligible developing and emerging economy members*. This significantly exceeded the funding that we had available which highlights the interest and need from these regions to implement and share their climate actions.

Based on the following criteria, the Advisory Board agreed on two projects and three secondments to receive funding, with additional funding allocated for travel support for governments to attend the Under2 Coalition's General Assembly in San Francisco, California. The Climate Group then conducted standard due diligence checks before developing a formal contract which is agreed with the recipient state.

* States and regions with GDP per capita of less than \$20k are eligible to apply for Future Fund support

Projects submitted for funding are considered by the Advisory Board according to the following criteria:

- Does it align with the priorities of the Under2 Coalition and the Future Fund?
- Does it contribute to mitigating the state's GHG emissions (reporting of emissions, emissions reduction targets, climate action policy developments) and/or adaptation policy? How?
- Does it encourage subnational cooperation (North-South as well as South-South)?
- Does it increase the participation of developing and emerging regions in the Under2 Coalition?
- The maximum amount awarded per project or secondment is \$25,000.

OUR FINANCE

The Future Fund raised a total of US\$ 152,196 in 2018. This includes donations from the governments of Québec, Scotland and Wales.

INCOME (US\$)	
Income received in 2018	152,196
Carried over from 2017	45,320
TOTAL (January – September 2018)	197,516

EXPENDITURE (US\$)	Already committed in 2018	To be committed in Q4 2018	Total
Knowledge exchange and enhancing engagement (50%)	67,416	31,342	98,758
Expanding the network (30%)	43,540	15,715	59,255
Scaling and management (20%)	26,355	13,148	39,503
TOTAL	137,311	60,205	197,516

LOOKING TO THE FUTURE

Climate change is a global issue that requires us to collaborate and take collective action. Through strategic funding, state and regional governments in developing and emerging economy regions can be empowered to advance climate action. The second year of the Future Fund has witnessed exactly that.

Through projects, secondments and opportunities for emerging and developing economy regions to attend international meetings, the Future Fund has reached across the globe to further climate action. In many developing regions, the benefits offered by the Future Fund have attracted more governments to join the coalition. Over the past two years, the Future Fund has been truly instrumental to the growth of the Under2 Coalition in developing and emerging economy regions. It has helped address an important gap and enabled increased engagement with developing regions to make the coalition truly representative and universal.

In 2019, the members of the Advisory Board and Under2 Coalition Secretariat at The Climate Group will be focusing on growing the Future Fund's capacity and widening its beneficiaries. Important lessons have been drawn from the past years' experience, including consideration to the administrative lead time required to approve travel, authorization to commence projects and undertake ambitious policy action in developing regions. Further investment by Under2 Coalition members and supporters in the Future Fund will enable more regions from developing and emerging economy regions to access the opportunities offered through the Future Fund and achieve our collective goal of an under 2°C future as soon as possible.

THANK YOU

We would like to extend our sincerest gratitude to the governments of Québec, Scotland and Wales. Their commitment to strengthening the action of their developing and emerging economy peers has demonstrated climate leadership on a global scale in 2018.



“THE VISION OF THE UN’S SUSTAINABLE DEVELOPMENT GOALS IS THAT OF A SHARED, SUSTAINABLY DEVELOPED WORLD IN WHICH NO ONE IS LEFT BEHIND. CLIMATE CHANGE IS NOT AN ISSUE WE CAN SOLVE AS INDIVIDUAL NATIONS BUT ONE WHICH WE NEED TO TAKE COLLECTIVE ACTION. WALES IS FULLY COMMITTED TO SUPPORTING THE FUTURE FUND BECAUSE IT IS ESSENTIAL TO WORK TOGETHER ON THIS GLOBAL CHALLENGE.”

- Lesley Griffiths, Cabinet Secretary for Energy, Planning and Rural Affairs, Wales

To discuss how you can support the Future Fund, please contact Subaskar Sitsabeshan, Head of Global Government Relations via email at ssitsabeshan@theclimategroup.org, or + 44 (0)207 960 2986.



SECRETARIAT THE CLIMATE GROUP

“TACKLING CLIMATE CHANGE IS AN OVERWHELMING MORAL OBLIGATION THAT WE OWE TO THIS AND FUTURE GENERATIONS. SUPPORTING AND WORKING ALONGSIDE DEVELOPING AND EMERGING ECONOMY REGIONS, MANY OF WHOM ARE AT HEIGHTENED RISK OF CLIMATE CHANGE, TO BUILD THEIR CAPACITY TO DEAL WITH THE CHALLENGES AND WORK TOGETHER AS PART OF THE GLOBAL CLIMATE MOVEMENT IS PART OF THAT OBLIGATION. THE SCOTTISH GOVERNMENT IS THEREFORE PLEASED TO HAVE BEEN ABLE TO SUPPORT THE FUTURE FUND OVER THE PAST TWO YEARS AND I AM DELIGHTED TO SEE THE DIFFERENCE IT IS MAKING TO CLIMATE AWARENESS, PREPAREDNESS AND INCLUSION ACROSS THE WORLD.”

- Roseanna Cunningham MSP, Cabinet Secretary for Environment, Climate Change and Land Reform, Scottish Government.

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