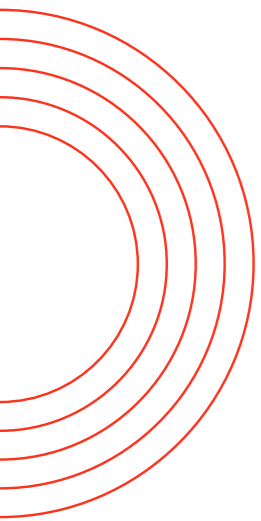


Future Fund

Impact Report 2021

Empowering developing regions to act on climate change



What is the Future Fund?

Established in 2017, the Future Fund is a unique Under2 Coalition project that was developed not only for its members but also by its members. Each year, it relies on funding from member governments to support climate activities in developing and emerging economy regions, such as capacity-building projects and secondments, and travel to global climate action events and forums.

Together with an Advisory Board from the project's funding governments, now consisting of Baden-Württemberg, Germany; Québec, Canada; Scotland, UK and Wales, UK; the Under2 Coalition Secretariat at the Climate Group is entrusted to manage the Future Fund to ensure it meets its ambitious objectives.

The beneficiaries of the Future Fund are subnational governments in countries, predominantly in the Global South, that struggle to find resources to join international climate networks, participate

in meetings, develop mitigation capacities or share lessons learned. Rooted in climate justice, the Fund offers these states and regions the opportunity to receive equal access to global resources: empowering them to accelerate the shift towards a world of well below 2°C of warming and drive climate action, faster.

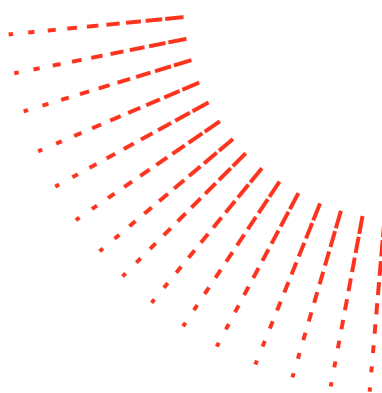
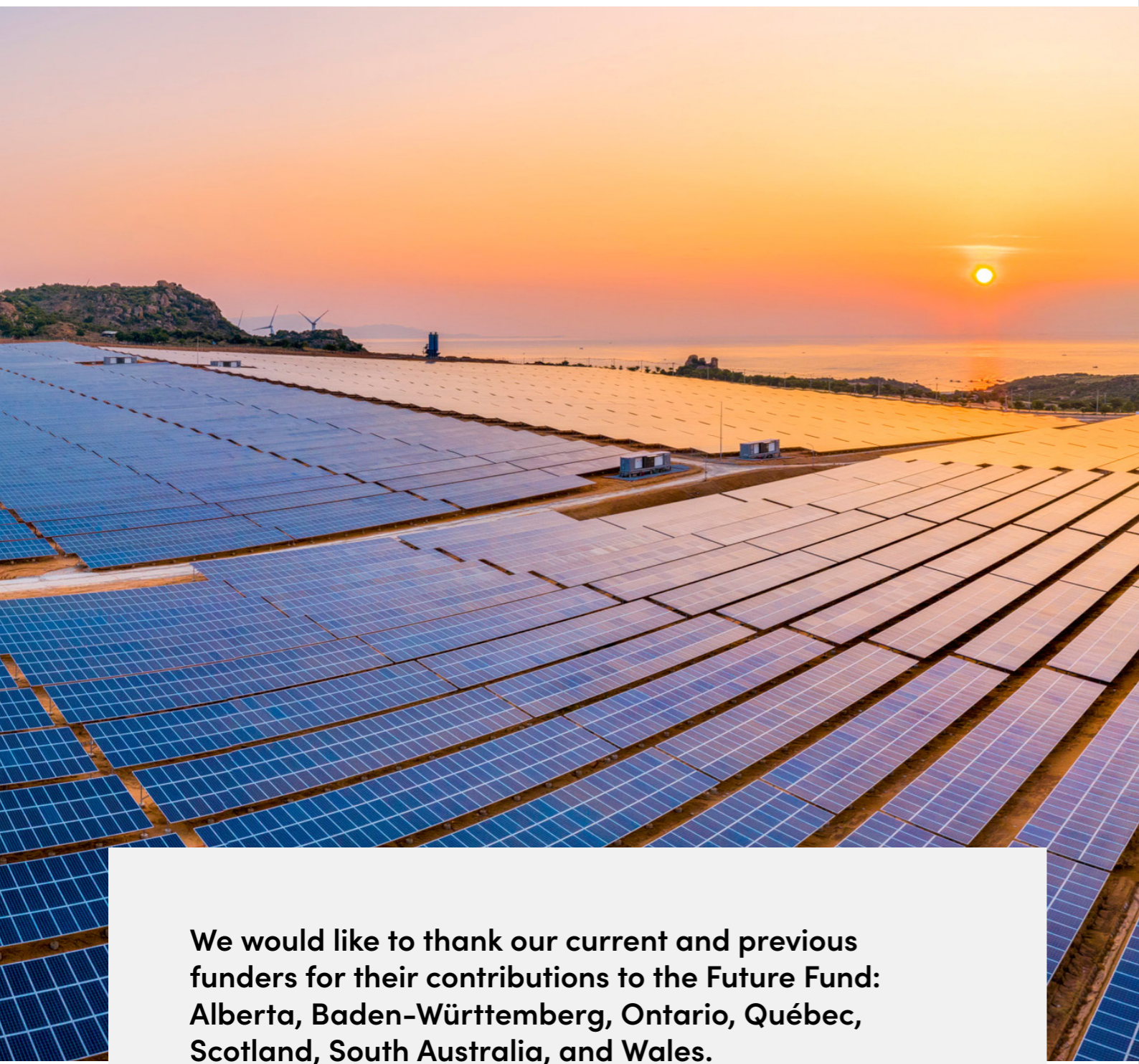
To find out more about how the Future Fund supports subnational governments, read our guide online: www.theclimategroup.org/guide-future-fund.



By supporting the efforts of developing regions and emerging economies to address climate change, the Under2 Coalition is playing a key role in shaping a cleaner, greener, and more inclusive global economy. The Future Fund is even more important today because it sends a clear message that we must all meet the climate challenge together. Québec is proud to be part of it."

Benoit Charette, Minister of the Environment and the Fight Against Climate Change, Government of Québec





Thank you from the Secretariat Director



The idea for the Future Fund was conceived at the 22nd Conference of the Parties (COP22) in Marrakech in 2017, and since then it has grown to play a key role in empowering developing and emerging economy regions to raise the bar and accelerate the transition towards a resilient and net zero future.

Now in its fifth year, the Future Fund remains a critical and transformative project which has supported beneficiary governments in emerging regions with capacity building through projects and with peer-to-peer learning through secondments. Over the years, the number of projects it has been able to fund has tripled, demonstrating the importance of having funding in place to empower developing and emerging economy regions to join in the global response to climate change.

The COVID-19 pandemic further emphasised the importance of supporting developing countries in achieving their climate targets despite the inevitable shortage of financial, technical and capacity resources. The Future Fund was able to overcome the challenges of COVID-19 to help more governments build back greener and keep a just and equitable transition at the centre of their economic and climate strategies. When the world came to a stop, the Future Fund continued to facilitate international secondments by adapting them to an online platform, which helped to build knowledge and capacity through peer learning on topics relevant to developing regions.

In the past year, we have funded three knowledge and capacity building projects and three peer-learning secondments to

support Under2 Coalition members to strengthen their response to climate change. We also supported 12 government officials from developing and emerging economy regions to attend our General Assembly and other side events at COP26 in Glasgow, and welcomed six new beneficiary members to the Coalition, ensuring a diverse representation in the fight to tackle climate change. The Future Fund will support three more projects and five more secondments next year, increasing our footprint towards a just and greener future.

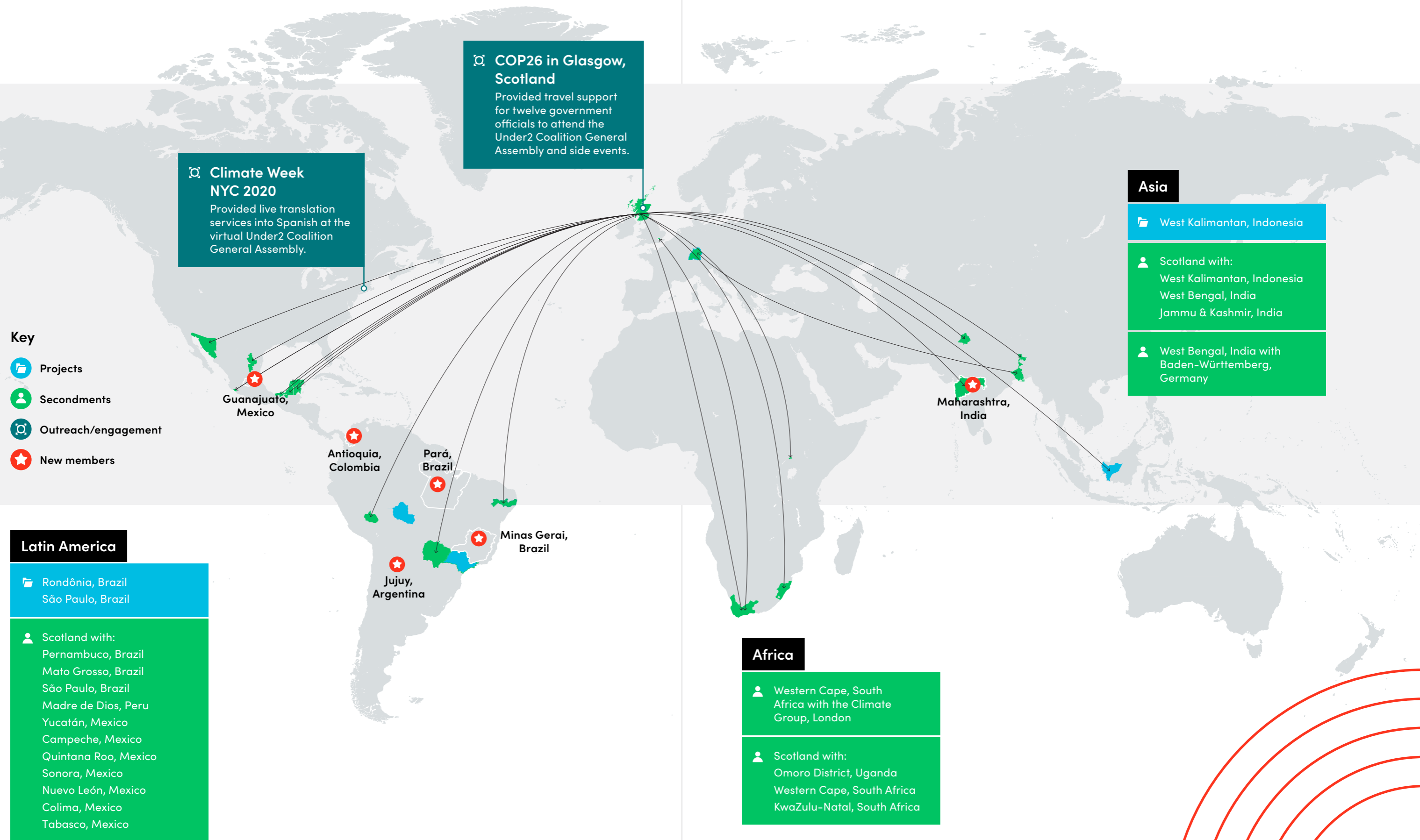
All of this would not be possible without the financial support received from the governments of Baden-Württemberg, Québec, Scotland and Wales, and we are extremely grateful for their climate leadership and commitment to supporting the growth of the Future Fund.

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

We would like to thank our current and previous funders for their contributions to the Future Fund: Alberta, Baden-Württemberg, Ontario, Québec, Scotland, South Australia, and Wales.

The demand always outweighs the support we're able to provide through the Future Fund and we are actively looking for new funders to help drive this vital work.

The year at a glance



2020/21 projects



Solar panels arrive at the Rio Pacaás Novos Extractive Reserve in Rondônia, Brazil, to be installed at the local school.



1. Bringing light to students in Rondônia, Brazil

In 2020, the Future Fund supported the State of Rondônia to access and distribute energy by installing photovoltaic panels at the João da Mata dos Santos Municipal School. The 'Light for Education' project allowed

Rondônia's state government to develop mitigation strategies concerning renewable solar energy at a subnational level, which is vital to achieving climate change goals set out in the COP21 Paris Agreement.



The Future Fund enabled Rondônia state government to collaborate on a global level through the Light for Education project and to improve its mitigation strategies to tackle climate change and reduce greenhouse gas emissions."

Marcos José Rocha dos Santos, Governor of the State of Rondônia.



2. Providing free training on solar energy systems in São Paulo, Brazil

The Future Fund 2020 financed a travelling school cart through the 'Roadshow Solar Project', which toured 13 municipalities and trained 260 people on the installation of photovoltaic solar energy systems for free. The project, which was based in São Paulo, targeted four important pillars including sustainable development, income generation, conservation and improvement in the quality of life of the population of the Vale do Ribeira region.

Overall, the project not only contributed to post-COVID-19 economic recovery plans and the generation of green jobs, but also aligned with targets established in the São Paulo State Policy on Climate Change (PEMC). These targets have been designed to comply with the Paris Agreement and the Race to Zero campaign of the United Nations Framework Convention on Climate Change (UNFCCC), with which the State of São Paulo is aligned.

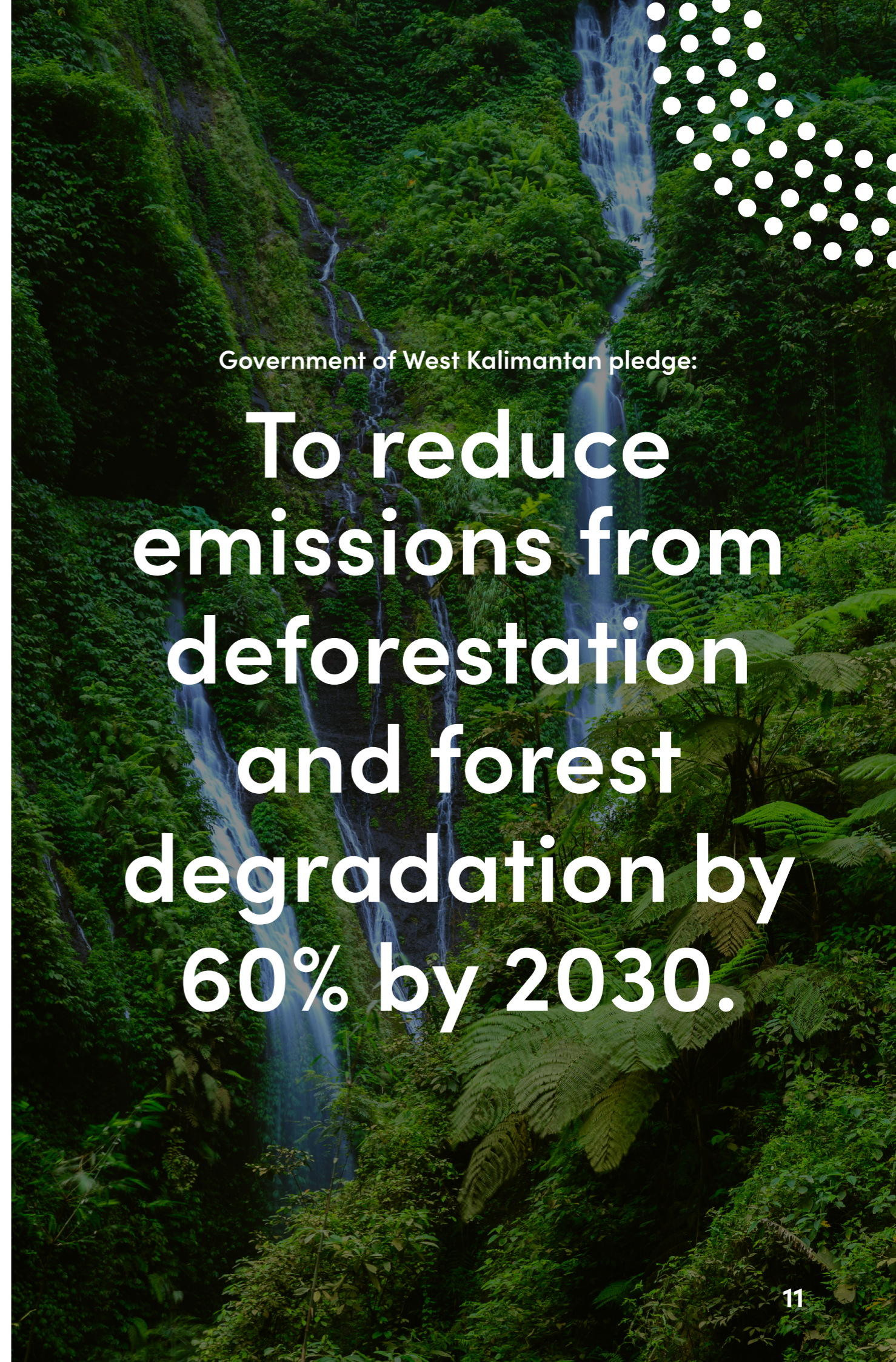


The Government of the State of São Paulo acknowledges and appreciates the funding governments of the Future Fund for believing in this important project, which provided knowledge and capacity building to the population of one of the most vulnerable regions of the state of São Paulo and contributed to the enhancement of employment opportunities and income generation within the renewable energy sector."

João Doria, Governor of the State of São Paulo.



Participants in São Paulo's 'Roadshow Solar Project' receive a certificate of completion for attending a free training course on the installation of photovoltaic systems.



Government of West Kalimantan pledge:

To reduce emissions from deforestation and forest degradation by 60% by 2030.



3. Measuring emissions reduction in West Kalimantan, Indonesia

The Government of West Kalimantan was provided with funding to develop its MRV REDD+ System in 2020 to measure greenhouse gas emission reductions in the region. Through this system, the

government has improved transparency and accountability methods to support its pledge to reduce emissions from deforestation and forest degradation by 60% by 2030.



The Future Fund has given West Kalimantan the means to become a pioneer in the web-based MRV REDD+ system, which we expect to be fully operational in the near future, with the hope that it will be adopted by other provinces in Indonesia.”

H. Sutarmidji, SH. M.Hum., Governor of West Kalimantan.

2020/21 secondments



1. Developing emissions reduction pathways with the Government of Western Cape and the Climate Group

In 2020, the Future Fund enabled Western Cape (South Africa) to access technical experts from the Climate Group to develop its 2050 Emissions Pathway through knowledge sharing and capacity building.

At the 2018 Global Climate Action Summit, the Western Cape Government announced that it would undertake a 2050 Emissions Pathway Analysis as its initial commitment to the Under2 Coalition, informing progress toward a net zero 2050.

Key stakeholders in the Western Cape Government and the City of Cape Town participated in a series of six online workshops led by staff members from Climate Group's Climate Pathway Project to provide support on pathway vision development, stakeholder mapping and pathway expertise for a sustainable, just and equitable future for the province.



We would like to express our gratitude to the Future Fund for making this technical support opportunity possible and the flexibility in which it was undertaken due to global COVID-19 restrictions. The support provided by the Under2 Coalition Secretariat's Transparency and Pathways team was invaluable in kickstarting the process of developing our regional 2050 emissions pathway."

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



2. Sharing lessons learned with the Scottish Government

In 2021, the Scottish Government hosted a series of four online sessions as part of its Future Fund secondment. These sessions covered the topics of climate change adaptation, just transition, public

engagement and local and community energy, which together reached participants from regions in Brazil, Indonesia, Mexico, Peru, South Africa and Uganda.



Hosting the secondment was a really valuable experience, and with it being online we were able to get a broad range of participants from Under2 members. The session gave us the opportunity to present Scotland's story on just transition to date, and better understand some of the opportunities and challenges facing other members of the Coalition as they work to respond to climate change. We definitely learnt a lot from the session ourselves and ahead of COP26 in Glasgow it gave us a lot of ideas for future international engagement and collaboration."

Gregor Auld,

Senior Policy Adviser, Just Transition Policy Unit, Scottish Government



We're very grateful to the Future Fund for allowing us to present our approach to public engagement on climate change in Scotland. It was fascinating to hear the varying approaches across other cities, states and regions, and a reminder that there is no one-size-fits-all when engaging the public on the climate emergency."

Jeremy Hanks and Richard Dryburgh, Senior Policy Officers, Public Engagement and Behaviour Change, Scottish Government





3. West Bengal learns about Baden-Württemberg's path towards a sustainable future

In April 2021, experts from the Government of Baden-Württemberg hosted a series of online sessions to introduce representatives from the Government of West Bengal to their regions' climate protection and

energy policies. They covered a range of topics including electromobility, urban planning, energy transition and Baden-Württemberg's Climate Protection Act.



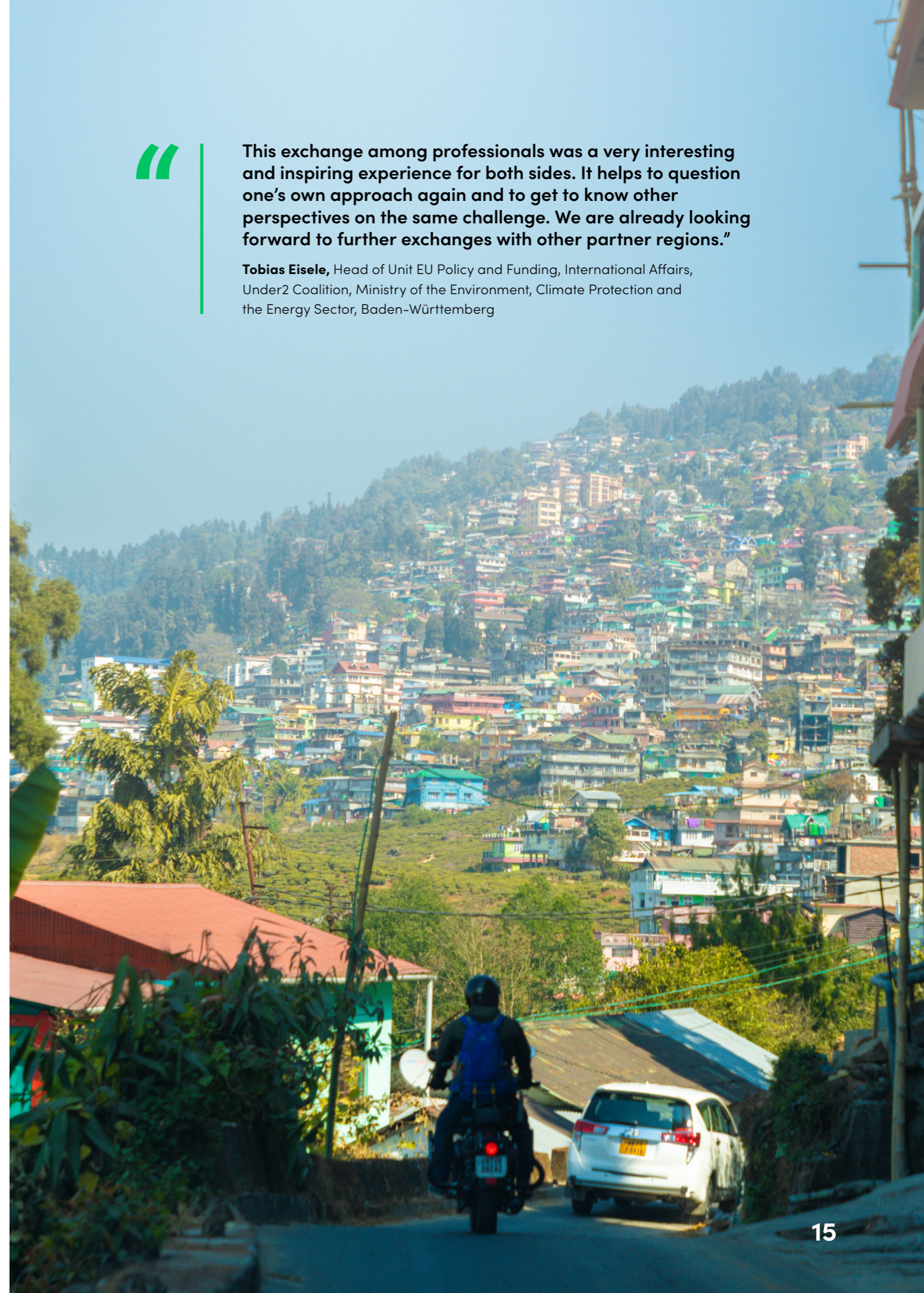
The secondment provided detailed information and insight into the key areas of overall energy transition in a region where mitigation targets are being strived for and are being met in spite of its industry-based economy. Presentations were made on critical parameters for adopting e-mobility, green growth and employment, and integration of heat island concerns in urban planning; all these adaptation strategies and case studies are extremely useful for the preparation of our state action plan on climate change. We express our sincere gratitude for this virtual secondment."

Dipanjana Maulik, Senior Environment Engineer, Department of Environment, Government of West Bengal



This exchange among professionals was a very interesting and inspiring experience for both sides. It helps to question one's own approach again and to get to know other perspectives on the same challenge. We are already looking forward to further exchanges with other partner regions."

Tobias Eisele, Head of Unit EU Policy and Funding, International Affairs, Under2 Coalition, Ministry of the Environment, Climate Protection and the Energy Sector, Baden-Württemberg



Widening our reach: outreach and engagement in 2020/21

The Under2 Coalition Secretariat at the Climate Group is always striving to reach a more diverse audience, and the Future Fund is an essential tool in enabling this.

Building active engagement from regions in the Global South: proactive recruitment in strategic regions 2020/2021

Through funding for the outreach and expansion of the network, the Future Fund has helped provide the Under2 Coalition with the critical resources needed for targeting a wider range of developing regions, resulting in positive conversations with potential new members across the Global South. In 2020, the Under2 Coalition Secretariat undertook recruitment and engagement efforts with African, Latin American and Asian regions, resulting in the successful recruitment of Maharashtra (India), Jujuy (Argentina), Guanajuato (Mexico), Antioquia (Colombia), Minas Gerais (Brazil) and Pará (Brazil) to the Coalition.

Enabling access to international platforms: impact of translation and travel support

Every year the Future Fund provides representatives from its beneficiary governments with access to international climate forums and events. Most notably it provides them with financial support to attend the Under2 Coalition General Assembly and other side events at the annual UN Climate Change Conference, known as Conference of the Parties (COP). Despite the postponement of the 26th Conference of the Parties (COP26) until November 2021, and the uncertainties surrounding travel arrangements in the lead up to the conference, the Future Fund was able to support the attendance of 12 representatives from subnational governments from the Global South.



Baden-Württemberg is proud to support the Future Fund, not only financially but also through the knowledge of our experts. Especially in these times of the pandemic, we are particularly concerned that the issue of climate protection remains high on the agenda and that we continue to join forces to combat it. The Future Fund is an excellent tool to motivate and support each other as members of the Under2 Coalition.”

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



This support was vital to increasing the diversity of voices on topics related to climate change, and the variety of differing priorities across the world, which helped shape priorities for years to come.

A portion of the Future Fund's resources is also committed to providing translation services where necessary, in order to make the work of the Under2 Coalition more accessible to its members in the Global South. In 2020, the Under2 Coalition expanded its translation capabilities into

Latin American Spanish and Brazilian Portuguese to support engagement with our Latin American members, who make up a large portion of our global membership. Most notably, the Future Fund provided live Spanish translation at the virtual Under2 Coalition General Assembly in September 2020, as well as translated documents for Spanish- and Portuguese-speaking members. This included monthly newsletters, website text, business pitches, webinars and reports.

2021/22 projects



1. Creating green autonomous communities in Yucatán, Mexico

In 2021 the Future Fund supported a pilot project in Yucatán, Mexico, which aimed to reduce energy inequality by installing an affordable, clean and autonomous energy source in the form of solar photovoltaic modules.

Through this project, 11 Photovoltaic Autonomous Systems (PVAS) were installed

in the municipality of Tecoh, Yucatán, followed by workshops to improve awareness of climate change and sustainability. Training was also provided on the maintenance and care of the PVAs. The long-term goal is to expand the project to all homes in Yucatán that lack electricity.



We thank the Future Fund for having enabled the state of Yucatán to develop a pilot project that transformed the lives of eleven families without access to energy. Hopefully, it will be the first of many projects that support communities and electrify the entire state with renewable energy.”

Mauricio Vila Dosal, Governor of the State of Yucatán



2. Generating public incentives for the conversion of regenerative agricultural production systems in Chiapas, Mexico

The state of Chiapas aims to create public incentives for the implementation of low-carbon regenerative production systems.

Its Future Fund project is therefore focused on strengthening the public financial, technical and institutional structures

that will enable low-carbon regenerative agricultural production systems to be implemented locally. This in turn will support sustainability in both the medium and the long term.



3. Capacity building for climate change policy in the State of Guanajuato, Mexico

The Government of Guanajuato, Mexico, is working on ways to collect climate change information at the state and municipal level so that they can identify and implement actions to improve climate change policy.

Currently most municipalities do not have the staff and expertise to identify climate change-related impacts, so this project

will develop a system to train subnational staff members at the state and municipal levels in climate change policy formulation and climate change reporting. This contributes to the state's Development Plan 2040, which aims to develop capabilities among all sectors of society to mitigate and adapt to climate change.

2021/22 secondments



1. The Government of Jammu and Kashmir's secondment with California on water management and rice production

In 2022, the Government of Jammu and Kashmir will learn about water management and rice production from experts at the California Department of Food and Agriculture. Two virtual exchanges will take place on Zoom to cover both topics.



2. The Government of Baden-Württemberg's secondment

In spring 2022, the Government of Baden-Württemberg will share its expertise with beneficiaries of the Future Fund by hosting a series of online sessions on pressing climate issues for regions in developing and emerging economies.



3. The Government of KwaZulu-Natal's secondment on drought mitigation

Next year, the Government of KwaZulu-Natal will learn about drought management and mitigation from experts in a region that has faced similar challenges, to shed light on effective, long-lasting responses to this situation.



4. The Government of West Kalimantan's secondment on blue carbon

The Government of West Kalimantan will undergo a secondment in 2022 focusing on blue carbon, with expert advice from a region that has successfully identified and calculated its own emissions from blue carbon.



5. The Government of Pernambuco's secondment on mitigation strategies

To help with the implementation of strategies for the reduction of emissions in the State of Pernambuco, representatives from the Government of Pernambuco will learn about best practices from another region who is successfully implementing and monitoring its mitigation plans.

Our governance

The Future Fund is overseen by an Advisory Board which includes representatives from the governments of Baden-Württemberg, Jalisco, Québec, Scotland and Wales. The Advisory Board meets several times a year to advise on strategic priorities, oversee the allocation of funds and steer the decision-making processes of the Future Fund.

This year (2020–2021) the board agreed to keep funding priorities the same as last year. The Fund is therefore being allocated as follows:

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.

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 programmes and events.

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.



Our finance

The Future Fund raised a total of US \$117,477 in 2020. This included donations from the governments of Baden-Württemberg, Québec, Scotland and Wales.

Income (US\$)

Income received in 2021	\$117,477
Carried over from 2019	\$30,144
Total (Jan 2020 – Dec 2020)	\$147,621

Expenditure US\$	Budget	Actuals	Variance
Capacity building and knowledge exchange (50%)	\$73,810	\$73,810	\$0
Expanding the network and active engagement (30%)	\$44,286	\$37,849	+\$6,437
Management and scaling of the Future Fund (20%)	\$29,524	\$29,524	\$0
Total	\$147,620	\$141,183	+\$6,437

The Future Fund raised a total of US \$160,188 in 2021. This included donations from the governments of Baden-Württemberg, Québec, Scotland and Wales.

Income (US\$)

Income 2021	\$160,188
Carried over from 2020	\$6,437
Total (Jan 2021 – Dec 2021)	\$166,625

Expenditure US\$	Budget	Actuals	Variance
Capacity building and knowledge exchange (50%)	\$76,198	\$70,000	+\$6,198
Expanding the network and active engagement (30%)	\$58,390	\$61,488	-\$3,098
Management and scaling of the Future Fund (20%)	\$32,037	\$32,037	\$0
Total	\$166,625	\$163,525	+\$3,100

Looking to the future

Over the past five years, the Future Fund has been central to the Under2 Coalition's growth in developing and emerging economy regions. It has helped address an important gap and has enabled increased engagement with developing regions to make the Coalition more representative and universal.

Through its projects and secondments, the Future Fund has enabled developing and emerging economy regions to receive equal access to global resources, and by providing the opportunity to attend international events, the Fund has ensured a diverse representation of climate issues and solutions on a global stage.

As we proceed through the Climate Decade, it is more crucial than ever to mitigate the devastating impacts of climate change on vulnerable communities around the world. We know that acting on climate change brings significant socio-economic benefits and will provide a clean and healthy future for generations to come. This is why the Future Fund remains committed to widening its reach, particularly in Africa, in the lead up to COP27 in Egypt.

The Future Fund will continue to empower subnational governments to take the bold and transformative steps needed to accelerate climate action, so that together we can make the shift towards a more sustainable world. Driven by the principle of inclusivity, the Future Fund will continue to ensure that everyone has opportunities to shape the course of development, leaving no one behind on the path towards a prosperous and sustainable future.

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Thank you

We would like to extend our sincere gratitude to the governments of Baden-Württemberg, 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 through the Under2 Coalition Future Fund. We would also like to thank the Government of Navarra, Spain, which will join the Future Fund as a new funder in 2022.

“

We are in an opportune moment, where states and regions are driving change, making a difference on the ground and showing how we can move to a greener, fairer future. We all have responsibility to tackle the climate emergency and I'm pleased to continue supporting the work of the Future Fund. It has a key role in empowering developing and emerging regions to accelerate emissions reduction in a just way that leaves no one and no place behind.”

Julie James MS, Minister for Climate Change, Welsh Government





Secretariat
CLIMATE GROUP

Contact us

To support the ongoing work of the Future Fund, or to ask any questions about the project, please get in touch.

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Mary-Claire Harvey
Under2 Coalition Project Coordinator



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