

# Keeping the Paris Agreement alive:

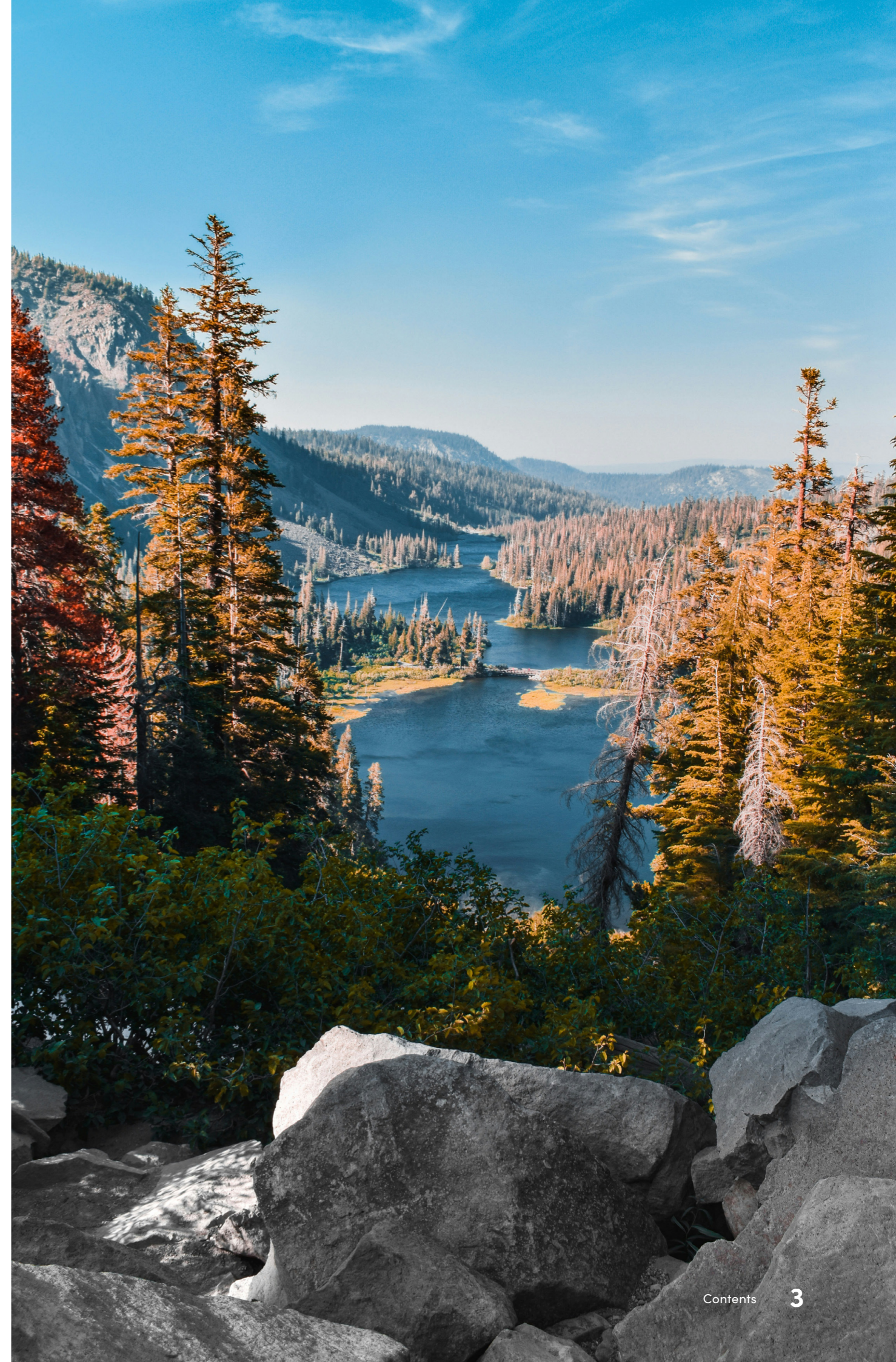
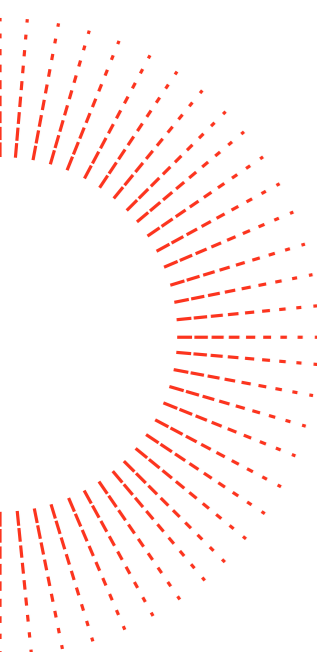
A decade of subnational  
action and global impact

10<sup>th</sup> Anniversary Report

November 2025

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## Foreword from co-founder Governor Jerry Brown:

A decade ago, California and Baden-Württemberg joined hands with partners from around the world to launch the Under2 Coalition because we knew two things: climate change will not wait, and stopping it demands fearless cooperation from governments everywhere.

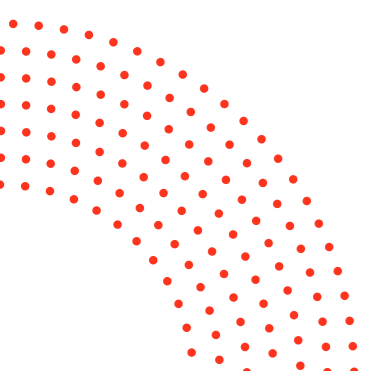
We started small – there were just 12 of us at that first event. Today, we stand nearly 200 members strong.

Over the past ten years, as the Under2 Coalition has grown, we've delivered solutions – more solar panels on rooftops, more electric vehicles and chargers on our roads, more renewable energy of every kind, more consumer savings and more land conserved for future generations.

Along the way, we've shown the world that states and regions are the real innovators in getting things done. We've also proven that by working together, we increase our impact enormously.

But this work is far from done. Around the world, our members are facing incredible obstacles. Looking ahead, the challenge is not to lose heart, but to accelerate climate action in every way possible.

When we started ten years ago, we knew our task required heroic efforts. The passage of time has made that all too clear. Now is the time to summon the courage, seize the opportunity and build a future that's liveable for people everywhere.



## Foreword from Laurence Tubiana, CEO ECF

**Delivering on the promise of Paris requires many hands working on a common purpose, and subnational leadership is indispensable. The Paris Agreement was always conceived as a whole-of-society effort – never for national governments to act alone. From the outset, we created space for regions, cities, and states to become co-architects of climate solutions.**

Across the world, subnational actors now hold the tools to implement the Agreement's goals – in transport, housing, energy, agriculture, and food systems. Over the past decade, they have shown not only willingness but the capacity to act, often moving faster and further than national governments.

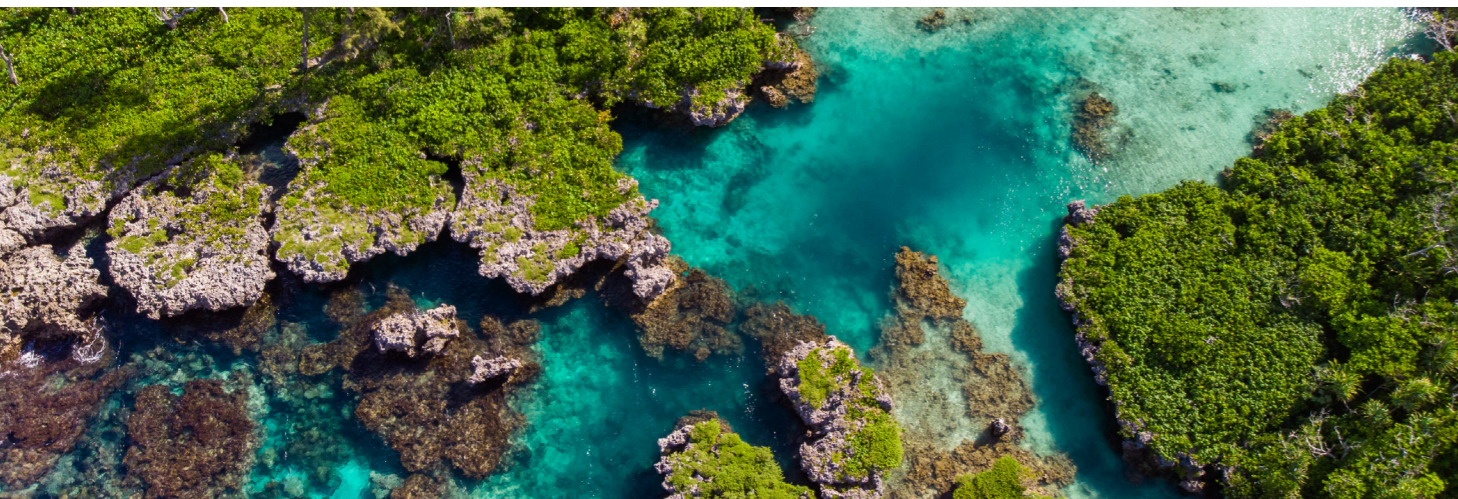
As this report shows that leadership is producing results. Clean energy is expanding, industries are adapting, and communities are becoming more resilient. But progress must accelerate. The challenge for the next decade is clear: align planning and budgets with climate goals, strengthen cooperation across all levels of government, and channel finance where implementation happens.

Looking ahead to 2035, our shared task is to turn proven solutions into programmes at scale, ensuring that the benefits of transition reach every community. Let us continue to act with focus, humility, and urgency – transforming ambition into delivery.



## Executive Summary by Dr Champa Patel, Executive Director for Governments and Policy

We knew 2025 would be momentous — a decade since the Paris Agreement and ten years of subnational leadership through the Under2 Coalition. In 2015, a small group of governments met at COP21 to prove that local action could drive global ambition. Ten years later, that handful has grown into a coalition of nearly 200 states and regions representing 1.75 billion people and over half of global GDP. Together, they have shown that climate transformation happens where people live, work and govern.



The first Global Stocktake confirms it: while global emissions remain off track for 1.5 °C, the power to implement lies with subnational actors — those who build power systems, align budgets and shape daily life. That is why the Under2 Coalition exists: to make local action visible, credible and investable.

There were moments we could not have foreseen. What began in a classroom in Vanuatu — where students called for climate accountability — led to the historic International Court of Justice advisory opinion on states' climate obligations, marking a new era of climate justice. The Loss and Damage Fund made its first disbursements, and the Coalition for High Ambition Multilevel Partnership (CHAMP), launched at COP28, united national and subnational governments in one framework for implementation — proof that ambition can grow from any level.

Amid these global shifts, local progress has been tangible. Solar and wind generation have tripled since the Paris Agreement, and clean-energy investment surpassed US \$2 trillion in 2024 — twice fossil-fuel spending. From New South Wales to Québec and Acre, regional innovation continues to show how local action drives global impact. Sixty jurisdictions now have net zero targets, and 73 per cent have adopted Subnational Transition Plans that translate national promises into local pipelines.

But progress is uneven. Fossil-fuel production remains entrenched, and economic pressures have diverted focus from long-term climate investment. Even with record renewables, global emissions have plateaued. The message is clear: climate change is not slowing down — and neither can we.

The lesson from ten years of Under2 experience is that transformation is already happening where governance, finance and data align. The next phase must be about speed and scale — replicating what works, closing finance gaps, and building resilience in a volatile world.

If the past decade has shown anything, it's that when local ambition meets global collaboration, transformation follows. The Under2 Coalition's next chapter must turn readiness into scale — linking policy with finance and data with delivery — to keep the Paris goal alive and build a fairer, cleaner and more resilient future for all.

### Priorities for the decade ahead:

- **Accelerate transition planning and finance alignment:** Finalise investor-ready Subnational Transition Plans (STPs) linked to budgets and measurable outcomes.
- **Institutionalise multilevel governance:** Embed subnational delivery within NDC 3.0 and make structured collaboration standard practice.
- **Finance readiness and resilience together:** Scale results-based finance and guarantee instruments to de-risk and accelerate investment, especially in the Global South.

# 2

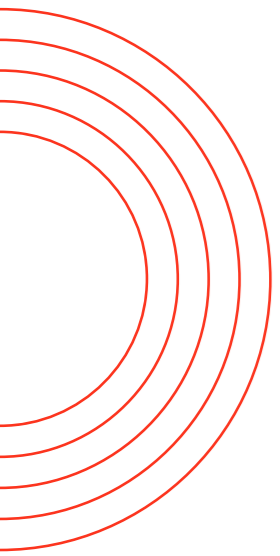
## Ten years of the Under2 Coalition, ten years of the Paris Agreement

## A decade of change

Ten years ago, the Paris Agreement redefined global climate ambition. Adopted under the UNFCCC in 2015, it set out a legally binding framework to limit warming to well below 2°C while pursuing efforts to reach 1.5°C. But its vision went further – tackling climate change alongside poverty eradication and sustainable development.

A decade later, the world is moving, if unevenly, in the right direction. Before Paris, the planet was heading toward almost 4°C of warming by 2100. Today, under current policies and Nationally Determined Contributions (NDCs), projections have dropped to between 2.1°C and 2.8°C – assuming developing countries receive the finance and support they need. The gap remains, but the trajectory is unmistakably closer to safety.





# The local engine of global progress

The Paris Agreement itself never mentioned “subnational governments.” Yet the decision that accompanied it did — calling on “cities and other subnational authorities” to scale up mitigation and adaptation. Since then, their influence has grown exponentially. Around 80% of climate action originates locally. That means states, regions, and cities aren’t just participants in the global transition — they are its driving force.

Subnational governments hold many of the levers that determine whether emissions fall fast enough and whether communities can withstand climate shocks. They shape policy across the sectors that matter most: transport, energy, industry, food, and nature. Recognising this, the Paris framework formally identified them as “non-Party stakeholders” and invited them to accelerate action.

As Yana Garcia, California’s Secretary for Environmental Protection, put it:



**We are the real implementers. The Under2 Coalition provides the support and advocacy to create that space for us — we drive the ambition that creates stronger national commitments.**

Over the past five years, recognition of subnational entities has risen sharply, with 80% of Parties now referencing them in their NDCs — a 19% increase from previous submissions. Notably, 63% recognize them as key partners in planning, implementing, and monitoring climate action, with many establishing formal frameworks that empower regions and cities to drive local climate planning and delivery. The 2025 NDC [synthesis report](#) demonstrates the growing recognition of Subnational leadership in combating climate change.



# From targets to tangible results

Even when national governments set the direction, it is states and regions that get things done. Across OECD countries, subnational governments account for roughly 40% of total public expenditure and 55–60% of public investment, with most of that spending concentrated in climate-critical sectors such as transport, housing, and utilities.

New data from 2024 underscores this point. An assessment across 33 OECD and EU countries found that subnational governments were responsible for 63% of climate-significant public expenditure and 69% of climate-significant public investment — covering everything from energy and waste to water, housing, and environmental protection. These figures make one fact clear: subnationals are the primary public financiers of climate implementation.

Their influence goes beyond budgets. Subnational climate leadership is reshaping markets, investor confidence, and community expectations. By 2024, 186 states and regions had adopted net zero targets, covering around 2.3 billion people. While ambition and integrity still vary, these commitments are shifting norms and setting new baselines for business and finance — especially where regional authorities define or enforce standards in buildings, transport, and energy systems.



## How the Under2 Coalition delivers Paris goals



### Turning national goals into projects and pipelines

Subnational governments translate NDCs into transition plans, permits, and budget lines. Over 70% of Under2 Coalition members have local climate plans that translate national ambition into local realities.



### Aligning budgets with climate targets

Through *Next Generation Budgets*, states and regions across the U.S. and Europe are embedding climate considerations into budgetary and fiscal decisions, ensuring every dollar spent supports low-carbon and resilient outcomes.



### Unlocking green finance

In Brazil, subnational authorities are designing bankable projects that attract investment and accelerate sectoral decarbonisation – directly advancing Paris-aligned outcomes.

## Collaboration at scale

Collaboration is the multiplier of subnational success. The Under2 Coalition, now nearly 200 members strong, represents over 1.75 billion people and more than half of the global economy. Through initiatives like *Next Generation Budgets*, *Mobilising Green Finance in Brazilian States*, and the *Future Fund*, member governments share expertise, build capacity, and scale what works.

Projects such as *Next Generation Budgets* have helped U.S. and European states and regions green their budgetary frameworks, aligning spending with climate and environmental goals. In Brazil, *Mobilising Green Finance* is unlocking new sources of capital for decarbonisation projects that align with the Paris Agreement. The *Future Fund* continues to empower emerging and developing regions to take climate action through peer learning and targeted support.

This cooperative model is paying dividends. Subnational climate action is now part of the Paris implementation architecture. The first Global Stocktake formally acknowledged the role of non-Party stakeholders, and the CHAMP pledge, launched at COP28, went further – with 72 countries and counting committing to collaborate with subnational governments on planning, financing, implementing, and monitoring climate strategies. The narrative has shifted from “including” subnationals to recognising that NDCs cannot be delivered without them.





## Resilience in a turbulent decade

The past decade has been the warmest on record, with 2024 setting a new global temperature high. Emissions have continued to rise, and the need for deeper, faster transformation has never been clearer. Yet, amid global uncertainty, subnational governments have shown extraordinary resilience.

In early 2025, the United States withdrew from the Paris Agreement, triggering a wave of similar exits and the rollback of \$7.6 billion in clean energy grants. More than 220 renewable projects were cancelled, and some global finance alliances, including the Net Zero Banking Alliance, scaled back their operations. Despite these headwinds, subnational action surged forward. The Under2 Coalition expanded its membership, strengthened cooperation, and continued to deliver.

By the end of 2024, six new members had joined across Asia, Europe, and North America – including Morelos, Mexico. In a year defined by reversals at the national level, the Coalition's growth underscored a powerful truth: climate leadership endures where it is rooted locally.



## The decade ahead

The Paris promise will ultimately be won or lost in the world's states, territories, provinces, and regions. National governments may set the direction, but subnationals control the budgets, policies, and projects that turn ambition into measurable outcomes.

Embedding vertical integration into NDC implementation, ensuring the integrity of subnational targets, and scaling coalition-based finance and standards are among the most effective ways to accelerate progress.

The Paris promise will ultimately be realised through collaboration across every level of government. National leadership sets the course, but subnational action determines how far and how fast the world travels. Embedding vertical integration into NDC implementation, aligning finance and standards, and ensuring consistent cooperation between national and regional authorities will be critical over the next decade. Only through this partnership can the goals of Paris translate into measurable progress for people and the planet.

# 3 Timeline

The Under2 Coalition continues to grow and build momentum through a series of high-profile global events. In Brussels, Baden-Württemberg hosted a panel on the Under2 MOU with the Four Motors for Europe. In San Francisco, the Subnational Clean Energy Ministerial brought members together to focus on clean energy. At Climate Week NYC, governments gathered and shared ideas and helped shape the Coalition's direction.

The momentum continued at COP22 in Marrakech, where 29 additional states and regions joined the Coalition, bringing the total to 165 jurisdictions united in the fight against climate change.



The Under2 Coalition held a European members' meeting in Brussels to align on EU climate and energy priorities, while its annual General Assembly took place alongside the Global Climate Action Summit in San Francisco—enhancing global visibility and welcoming 18 new members.

**2016**  
COP22 in Marrakech

**2018**  
Global coordination and regional focus

**2015**  
The Under2 Coalition is launched

**2017**  
A new steering group

**2019**  
Climate Week NYC and project milestones

COP21 takes place, resulting in the pivotal Paris Agreement. Signatories of the Agreement pledge to keep global warming within 1.5 degrees C of the preindustrial average.

Alongside COP21, the Under2 Coalition is launched to support and advocate for subnational states and regions. This action by states and regions, together with ambition from cities and businesses, helps give confidence to nations to deliver an ambitious Paris Agreement.

The Under2 Coalition General Assembly is held in the margins of COP23. A steering group for the Coalition is established, to help guide its strategic direction, and 16 new states and regions join – bringing total membership to more than 200 governments.

At the Clean Energy Ministerial in Peking Christiana Figueres, former Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), is appointed as first Global Ambassador of the Under2 Coalition, further strengthening its global leadership on climate action.

The Under2 Coalition continued to advance state and regional climate leadership, including at Climate Week NYC, where members came together to exchange knowledge and build networks.

The first phase of three major new projects—the Climate Pathway Project, the Climate Footprint Project, and the Industry Transition Platform—was completed. Work on the ZEV Community progressed, the India Climate Action Compass was launched, and new initiatives were introduced in three areas: climate finance, climate diplomacy, and methane emissions reduction.

The Under2 Coalition celebrates five years of impactful subnational climate leadership.

Highlights from the first five years include growing the Coalition from just 12 founding members to over 220 states and regions worldwide and expanding membership across Africa, Asia, Europe, North America, and South America, and delivering major global projects to accelerate climate action.

**2020**  
Celebrating five years of the Under2 Coalition

A unique Under2 Coalition project delivered by governments, for governments celebrates its fifth anniversary. Since 2017, the Future Fund has raised over \$1,000,000, supporting subnational governments in developing and emerging economy regions to take climate action where it matters.

**2022**  
Five years of the Future Fund

This year marks the 10th anniversary of the Under2 Coalition. Our inaugural Asia regional meeting—held at the Climate Group Asia Action Summit—was the first in a global series of ministerials celebrating a decade of subnational climate leadership and our continued commitment to collaboration, implementation, and tangible impact.

Today, the Under2 Coalition represents 183 subnational governments across 36 countries and six continents, encompassing 2 billion people.

**2025**  
A decade of subnational climate leadership

**2021**  
A net zero Coalition

The Under2 Coalition pivots to become a net zero Coalition. The Under2 MOU is updated to commit signatories to reaching net zero emissions by 2050, at the latest.



**2023**  
Uniting Leaders, Driving Change

At COP28, we joined our government members with global business representatives for the first time at our largest Under2 Coalition General Assembly to date. Breakout sessions were facilitated to enable greater cooperation and to accelerate change across sectors.

**2024**  
Welcomed six new members

Gyeonggi-do and Jeollanam-do (Korea); Cordoba (Argentina); Colorado and New Jersey (United States); and Wielkopolski (Poland)

Held the ninth general assembly in Baku, Azerbaijan.

**2025**  
COP30 Local Leaders Forum in Rio and the First Global States and Regions Summit

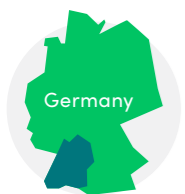
# 4 Member profiles and success stories



## Acre, Brazil (Joined 2015)

Acre's SISA system remains a global reference for jurisdictional REDD+, integrating verified emissions reduction with social incentives under the REM J-REDD+ framework.

A thematic climate budget embeds these actions into fiscal policy, ensuring stable funding for low-carbon development. Acre's governance model epitomizes how subnational fiscal systems can anchor Paris Agreement implementation through accountability and inclusivity.



## Baden-Württemberg, Germany (Joined 2015)

Baden-Württemberg joined the Coalition in 2015 and now leads Europe's regional hydrogen transformation. Its Hydrogen Roadmap positions the state as a nexus for clean industrial fuels, while PV obligations on new and renovated buildings drive distributed renewable adoption.

These measures combine innovation, regulation, and fiscal instruments, delivering on STP principles of "sectoral alignment" and "integrated delivery" within a just and competitive transition.



## California (Joined 2015)

California's membership in 2015 set a precedent for climate leadership among major economies. Its Advanced Clean Cars II (ACC II) rule mandates 100% zero-emission new vehicles by 2035, a move that reshaped global auto policy.

Coupled with the state's cap-and-trade program, California delivers a comprehensive mitigation framework, balancing economic growth, social inclusion, and environmental integrity. These twin pillars exemplify UN messaging on "subnational innovation that drives global systems change."



## Cross River State, Nigeria (Joined 2015)

Cross River State was among Africa's first subnationals to establish a REDD+ Strategy and Forest Reference Emission Level (FREL), creating verified pathways for forest carbon finance.

Reforms to improve governance and benefit-sharing have since strengthened local trust and transparency. These actions echo the STPs' principle of "inclusive implementation."



## Maharashtra, India (Joined 2021)

EV Policy & Majhi Vasundhara: Since joining in 2021, Maharashtra has advanced one of India's most comprehensive subnational climate portfolios. The EV Policy 2021 targets 10% electric vehicle registrations by 2025, backed by manufacturing incentives and charging corridors.

Its Majhi Vasundhara (My Earth) initiative coordinates local governments to improve air quality, resource efficiency, and biodiversity protection, showcasing how climate action can be both decentralized and cohesive. Maharashtra's example demonstrates STP principles of "whole-of-government planning" and "people-centred transition."





### North Rhine–Westphalia, Germany (Joined 2015)

NRW's 2030 lignite exit sets one of Europe's fastest fossil phase-out timelines, underpinned by social and industrial support measures.

The Hydrogen Core Network connects regional industry to EU supply chains, accelerating decarbonization in heavy sectors. This blend of climate ambition and fairness exemplifies the UN's call for "just transitions that leave no community behind."



### Québec (Joined 2015)

As an early Under2 member, Québec pioneered a cap-and-trade system under the Western Climate Initiative (WCI), creating one of the world's first subnational carbon markets. Revenues fund low-carbon transport and building retrofits.

Its 2035 ZEV rule builds on this foundation, ensuring a complete shift to electric or hydrogen light-duty vehicles. This dual approach combines market certainty with regulatory ambition, mirroring the STPs' emphasis on "coherence, financing, and delivery" across government tiers.



### Scotland (Joined 2015)

Scotland joined the Under2 Coalition in 2015 and has since led globally recognized efforts to align nature restoration with climate justice. Its Peatland ACTION programme has restored over 45,000 hectares of degraded peatlands, sequestering carbon and protecting biodiversity. The Just Transition Fund, launched in 2021, channels climate finance to regions shifting from oil and gas, supporting skills, innovation, and community resilience. Together, these initiatives deliver on the UN Local Leaders' call to "put people at the heart of climate action," while illustrating the STPs model of integrated, equitable transition delivery.



### Western Cape, South Africa (Joined 2016)

Facing national grid constraints, the Western Cape's Energy Resilience Programme enables municipalities to diversify supply through renewables and embedded generation.

The province's Vision 2050 Strategy integrates climate, energy, and development planning, reflecting an STP-style roadmap for resilient, low-carbon growth. Together, they embody the UN Local Leaders' call to "deliver the Paris Agreement locally" through coordination and innovation.



### West Kalimantan, Indonesia (Joined 2018)

Since 2018, West Kalimantan has championed community-led climate governance. Through social forestry, it has granted management rights over hundreds of thousands of hectares, promoting sustainable livelihoods.

Its peat and mangrove restoration projects enhance carbon sinks and resilience, demonstrating the STPs' message that "local stewardship underpins global climate stability."



# 5

## A decade of momentum: our story in numbers

# 15x

How much we've grown in the last decade, from 12 to close to 200 governments.



# \$1.5M

Funding we've mobilised to support 53 developing country regions through the Future Fund.



# 2gtCO<sub>2</sub>e

Our annual emissions reduction potential ~ 5<sup>th</sup> largest emitter in the world.

# 10

Countries where we work with the largest economic states, regions and provinces.



# 18

Philanthropies and institutions that have supported our impact, backing bold subnational action and creating a strong partnership ecosystem.



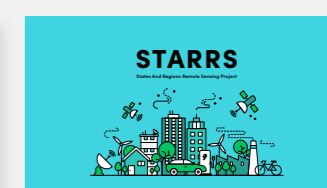
# 18M+

Funding mobilised to support our entire network with peer learning, knowledge exchange and capacity building.



# 30

The number of projects delivered over the past 10 years to support our governments' climate leadership.



# 6 Conclusion

## Moving into the next decade of delivery



Letter from Under2 Coalition Director, Nehmat Kaur

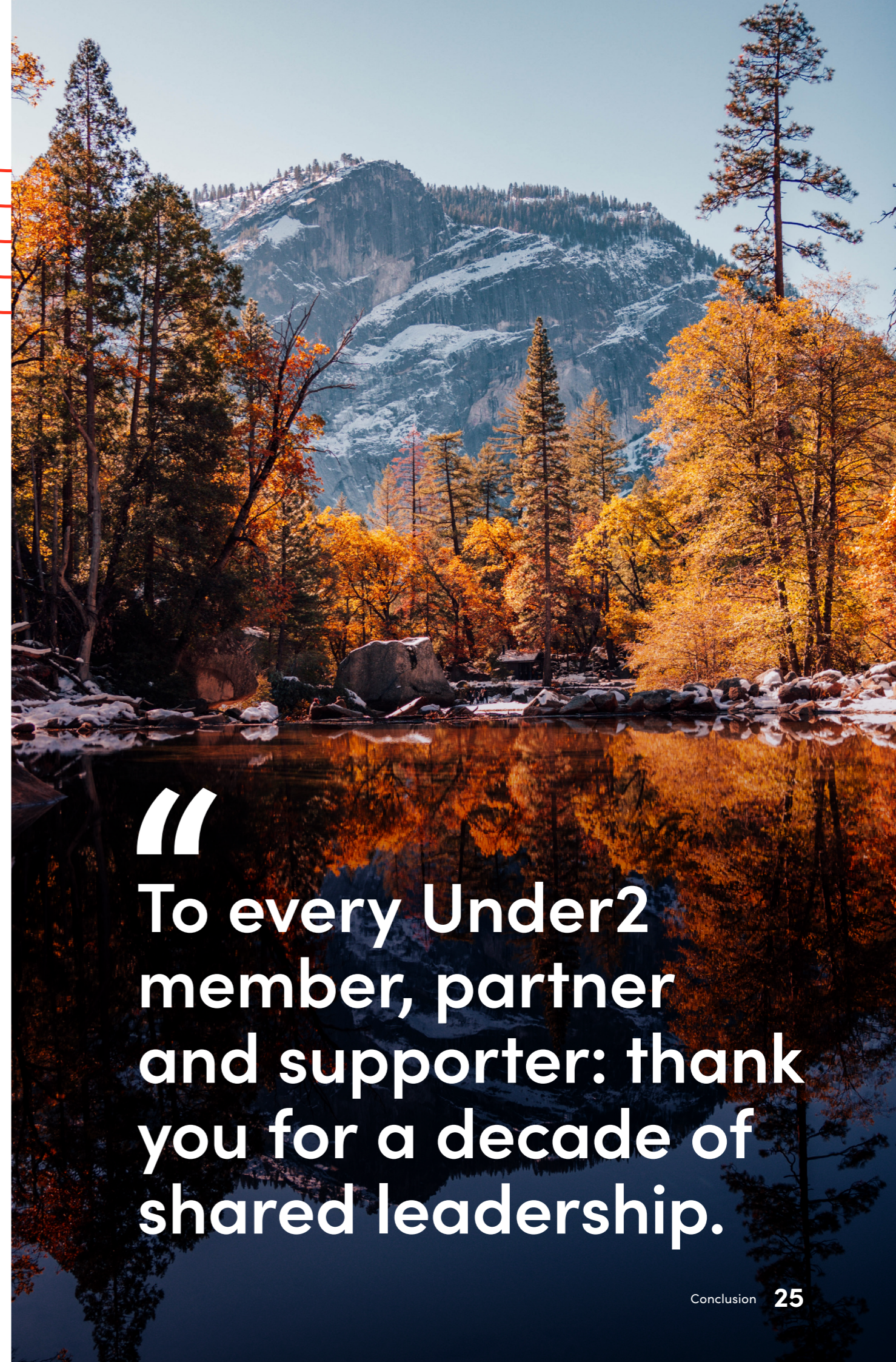
**The last ten years have made one thing clear: if subnational governments succeed, the Paris Agreement succeeds.**

A decade on, subnational delivery has become indispensable to Paris alignment. Institutionalising climate within public budgets, scaling programmatic portfolios, and ensuring that finance reaches the level of implementation will determine whether 2030–2035 delivers systemic, just transitions. The Paris Agreement’s goals are achieved or missed where assets are planned, permitted, financed and maintained. The evidence is unequivocal: states and regions control the majority of climate-relevant public investment and expenditure, are adopting long-term targets that cover billions of people, and are now formally integrated into the Paris architecture through COP decisions and multilevel pledges. Enabling subnational delivery is therefore not peripheral, it is central to keeping Paris on track.

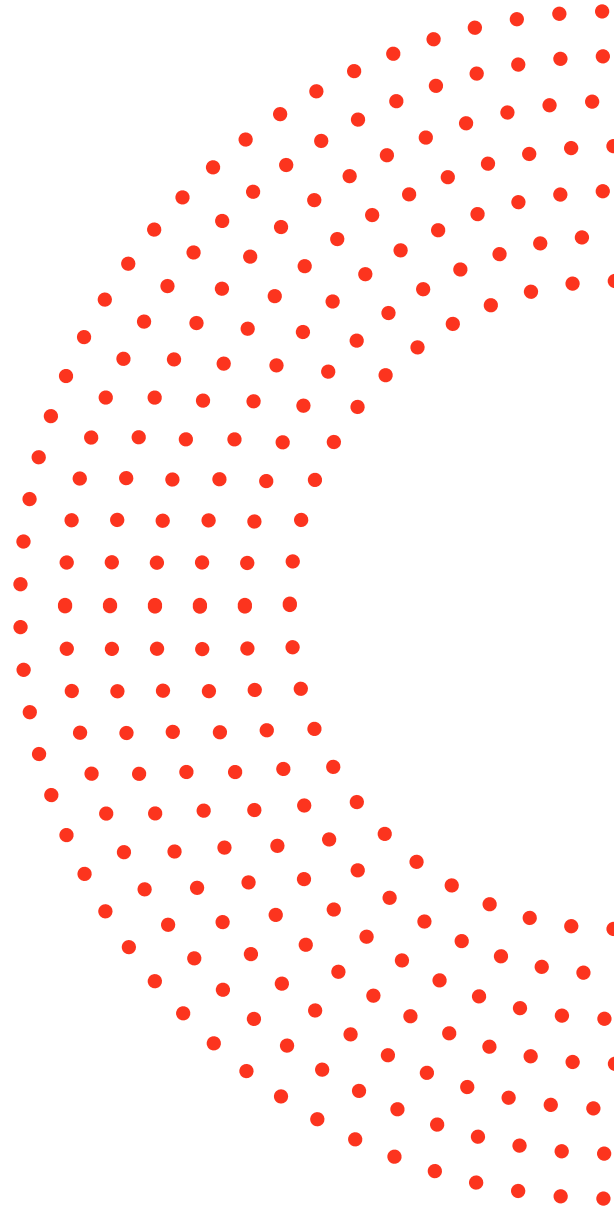
As we move into the next decade, our task is clear: to convert readiness into scale. That means turning Subnational Transition Plans into bankable pipelines, aligning public budgets with climate outcomes, and ensuring that climate finance supports institutional capacity as much as infrastructure. It means building transparency and trust through open MRV systems, embedding safeguards and equity, and ensuring that the benefits of transition reach those who need them most.

The coming years will demand speed and cooperation. We will need to accelerate planning, deepen partnerships between national and subnational governments, and work more closely with development banks and private investors to channel resources where they have the greatest impact. But they will also demand courage, the courage to reform, to prioritise, and to hold ourselves accountable.

To every Under2 member, partner and supporter: thank you for a decade of shared leadership. The road ahead is challenging, but it is also filled with opportunity. If we stay focused, collaborative, and ambitious, we can turn today’s momentum into tomorrow’s transformation, and together, keep the Paris goal alive.



“  
**To every Under2 member, partner and supporter: thank you for a decade of shared leadership.**”



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