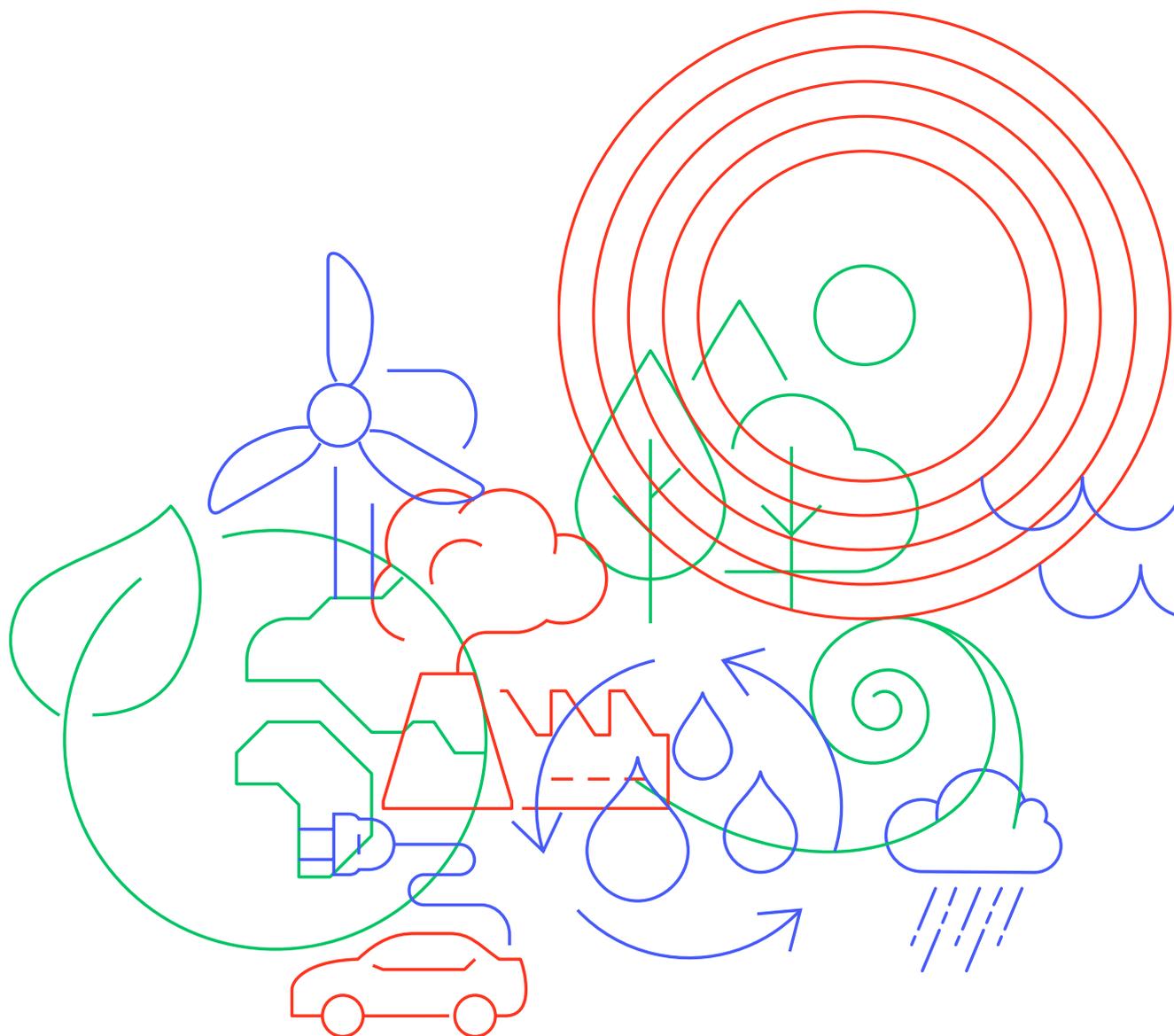


Global States and Regions

Annual Disclosure Report 2020



Foreword

2020 has been an unprecedented year with the COVID-19 pandemic demanding fast and effective action by governments at all levels to address its immediate social and economic impacts.



Selwin Hart, Special Adviser and Assistant Secretary-General for Climate Action, United Nations

As recovery efforts continue, strong climate action must play a central role to put us on track to achieve net zero emissions globally by 2050 and meet the 1.5°C goal of the Paris Agreement. This is why the United Nations Secretary General, António Guterres, has called on all national governments, states and regions and cities to follow his six climate positive actions to recover better: invest in green jobs; do not bail out polluting industries; end fossil-fuel subsidies; take climate risks into account in all financial and policy decisions; work together; and most importantly make sure to leave no one behind.

This year's Global States and Regions Annual Disclosure Report showcases inspiring actions being taken by 121 states and regions, who commendably continue their commitment to climate transparency despite the global health crisis, to achieve a net zero and climate resilient world. This leadership can further inspire national governments to raise the level of ambition of their climate action plans.

The targets these governments have set and the plans they have developed to mitigate and adapt to climate change must now translate into urgent and concrete action. Without this, we risk missing the goals of the Paris Agreement and breaching



As recovery efforts continue, strong climate action must play a central role to put us on track to achieve net zero emissions globally by 2050 and meet the 1.5°C goal of the Paris Agreement.

1.5°C of global warming. Early signs of the damage this would cause are in front of our eyes - extraordinary wildfires, more frequent and intense hurricanes, droughts and floods, record heat waves, and melting polar ice. Building resilience and adapting to these extreme events, which are becoming more

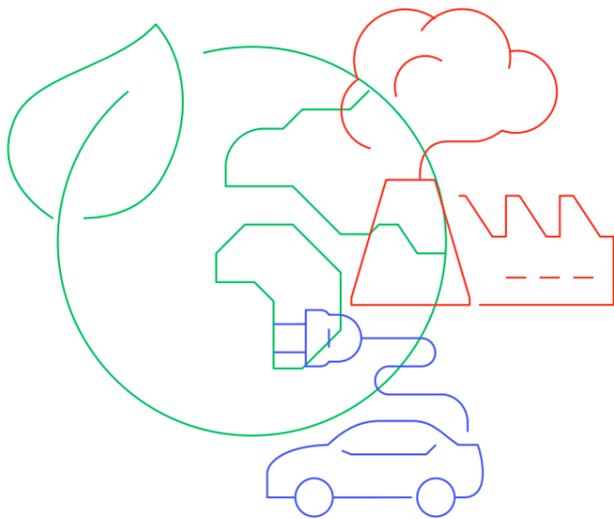
States and regions are leading the way – a force national governments must leverage

intense and frequent and are impacting communities in all corners of the globe, must be prioritised as it is our most vulnerable communities and the poorest households that are hit the hardest. Our window of opportunity to act has almost closed.

To limit even more severe effects, and create a sustainable and equitable world, we must reduce greenhouse gas emissions

by 40-50% from 2010 levels by 2030 and reach net zero by 2050. States and regions have a critical role to play in this transition. Working together with national governments, they should raise their levels of ambition before COP26 in Glasgow and should commit to reducing emissions to net zero with ambitious interim targets for 2030. But commitments alone are not enough, they will need to come with clear, budgeted plans. It is also imperative that these plans fully integrate strategies for a just transition, ensuring opportunities for workers to prosper and thrive in a carbon neutral and resilient economy.

The last five years, since the signing of the Paris Agreement, have been the warmest on record. We have only nine years left to achieve the UN's Sustainable Development Goals and, as the countdown begins to COP26 next year, we need urgent and bold climate commitments, and action to support their successful delivery. States and regions are leading the way - a force national governments must leverage, so that together they can achieve the necessary emissions reductions and meet the adaptation needs of their constituencies over the coming decade. This is essential if we are to build a sustainable and healthy future, leaving no one behind.





Key findings

121

states and regions disclosed in 2020

70%

are members of the Under2 Coalition

To accelerate their climate action we call on all states and regions to:



Act fast to build resilience and protect against the impacts of climate change

108

report that they are experiencing 1,024 climate change and water security impacts

45%

have developed an adaptation plan



Commit to achieving net zero emissions

18

have committed to net zero

21

more have long-term targets of 75% reductions or more and could raise their ambition to net zero



Transform their electricity systems away from fossil fuels to renewable energy

On average, states and regions generate

47%

of their electricity from renewables compared to 26% globally

20%

of electricity is generated from wind, geothermal and solar energy, with significant scope to increase reliance on these sources



Halt deforestation and forest degradation with clearly defined targets, policies and plans

91%

report the impacts of deforestation and forest degradation as serious or extremely serious

46%

have determined policies, 37% report a plan, and 18% have set region-wide targets to tackle these issues



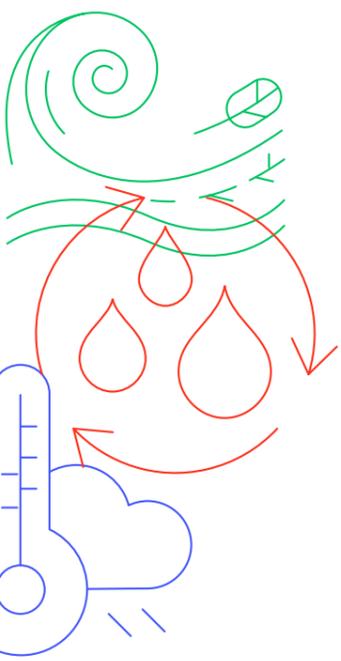
Set ambitious 2030 targets for this crucial decade of climate action

26

have set a 2030 target in line with the IPCC recommendations

89

did not report a 2030 target



Climate and environmental threats

To create a healthy and sustainable world, we must reach global net zero emissions by 2050 and build resilience in the face of the climate crisis.

121 states and regions from Africa, Asia, the Americas, Europe and Oceania disclosed data in 2020.

108 of these report that they are experiencing 781 environmental and socio-economic impacts of climate change and 243 impacts related to water security. These range from more intensive rainfall in

Rio de Janeiro and hotter summers in **Abruzzo**, to more flash flooding in **KwaZulu-Natal** and more frequent droughts in **South Australia**.

Central Kalimantan, **Małopolski** and **Queensland** all reported concern for increased outbreaks of vector-borne diseases and epidemics as a result of

Building a resilient, net zero world will enable communities to prosper in good health and with equitable access to resources.

increasingly frequent natural disasters, like floods, droughts and cyclones, that damage health infrastructure and displace people from their homes. Meanwhile, several Canadian provinces, including **British Columbia**, **Prince Edward Island** and **Québec**, reported a rise in mental health issues as a result of the increased distress and suffering caused by climate change.

A quarter of states and regions reported increased risk to already vulnerable or marginalised populations. They disclosed concern for Indigenous communities, the elderly, youth, disabled, and those with low socio-economic status. For example, in **Alberta**, climate change affects traditional land use practices, harvesting and employment in natural resource sectors, which has a disproportionate impact on Indigenous peoples.

According to the United Nations, 2 billion people live in countries experiencing high water stress. In addition, the number of people living in areas of potential water scarcity is expected to rise from 3.6 billion to between 4.8-5.7 billion by 2050¹. 89% of states and regions reported water security impacts to be serious or extremely serious.

In **Jammu and Kashmir**, water is under extreme stress with wetlands deteriorating, untreated wastewater contaminating freshwater, and a lack of water management in place. Alongside climate change, unsustainable and inefficient water management and overuse of supplies are making these impacts worse.

Building a resilient, net zero world will enable communities to prosper in good health and with equitable access to resources. 60% of states and regions reported climate adaptation actions

and 45% have developed an adaptation plan, but ambition must be elevated to mitigate and adapt to the compounding impacts of climate change.

As states and regions recover from the COVID-19 pandemic, they must steer a green recovery that prioritises resilience and accelerates the transition to net zero.



108

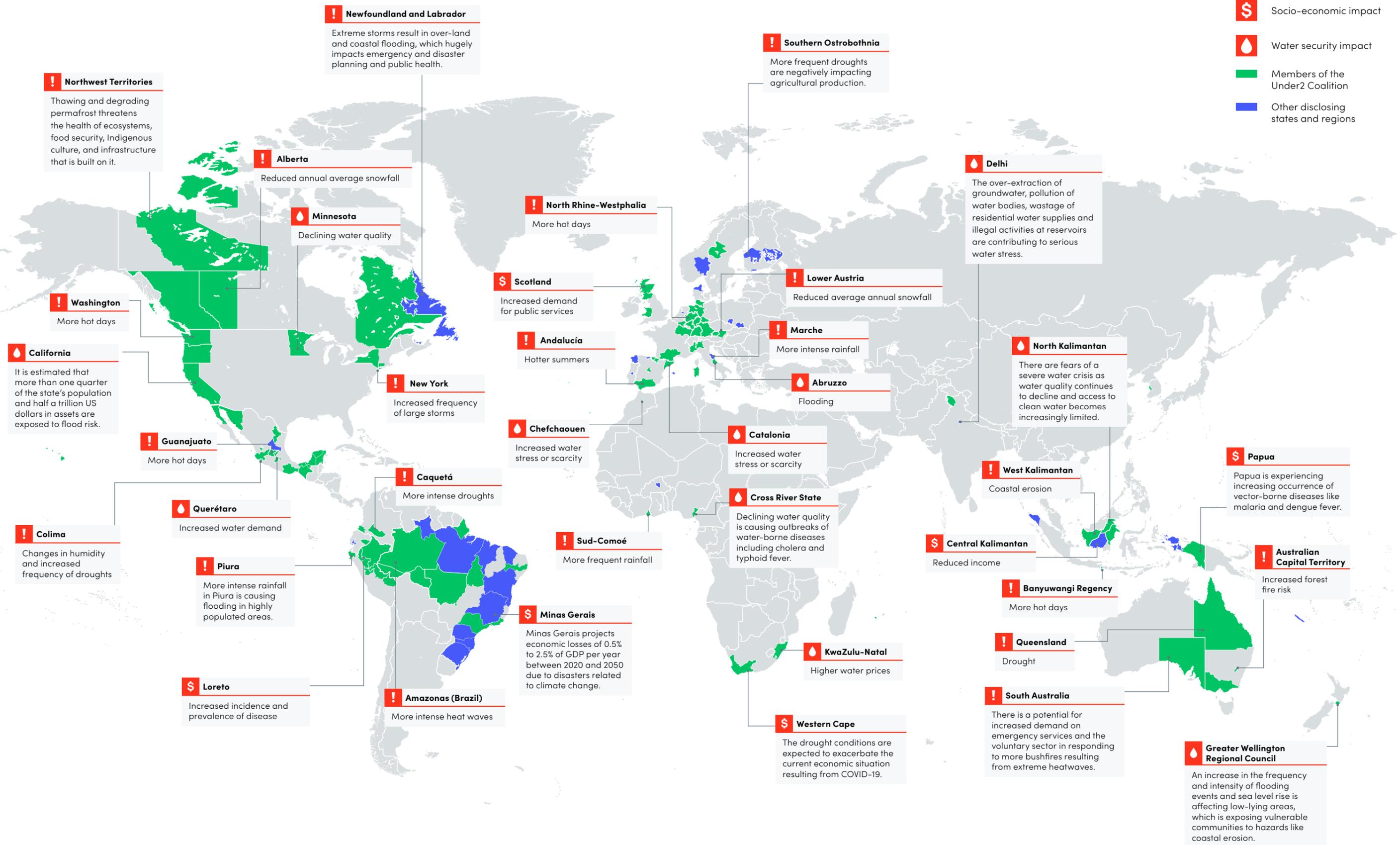
states and regions report that they are experiencing 1,024 climate change and water security impacts

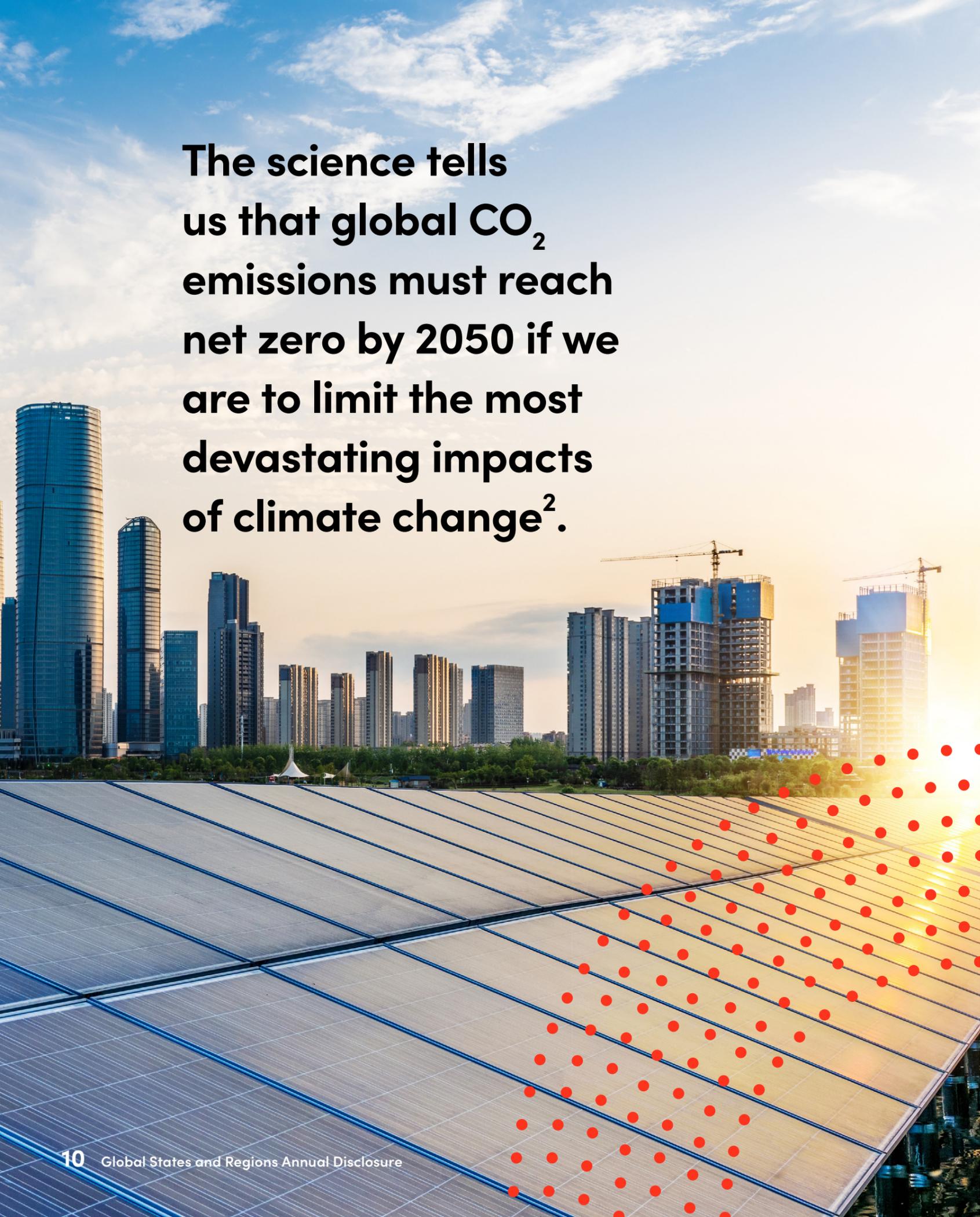
45%

have developed an adaptation plan

Climate and environmental threats

- Key:**
- ! Climate change impact
 - \$ Socio-economic impact
 - Water security impact
 - Members of the Under2 Coalition
 - Other disclosing states and regions





The science tells us that global CO₂ emissions must reach net zero by 2050 if we are to limit the most devastating impacts of climate change².

Net zero is achieved when human-induced emissions of greenhouse gases are balanced by removals over a specified period. States and regions are starting the process of achieving this balance through two actions:

- 1 Reducing emissions by drastically cutting the consumption of fossil fuels and transitioning to renewable energy sources.**
- 2 Increasing the removal of emissions by conserving, restoring and protecting natural carbon sinks.**

The diversity of the reporting states and regions and the varying priorities for socio-economic development means that the pace at which net zero emissions can be achieved will vary across different jurisdictions around the world, as well as the decision over which action to prioritise.

18 states and regions from Europe, North America, and Oceania have made a commitment to reach net zero GHG emissions by 2050 or sooner. Net zero is in sight for a further 21 states and regions, that have set long-term targets to reduce emissions by between 75% and 90% and could look to raise their ambition in line with a net zero future.

Beyond the 18 governments that have committed to net zero, eight states and regions are already generating 100% of their electricity from renewable sources, while a further nine have committed to transition to renewables by 2050 or earlier. Moreover, 17 governments from the Americas, Africa

and Europe have set targets focusing on conserving, restoring and protecting their forests. These commitments will significantly contribute towards achieving net zero, demonstrating that there is scope to increase the pool of governments with net zero commitments.

To increase transparency and clarity over how states and regions plan to achieve net zero, we encourage the development of both an absolute emissions reduction target, as well as a target specifying how much CO₂ governments plan to remove from the atmosphere through carbon sinks or other methods.



\$7.2 trillion

is the combined GDP of the 18 governments that have set net zero targets, equivalent to the third largest economy in the world.

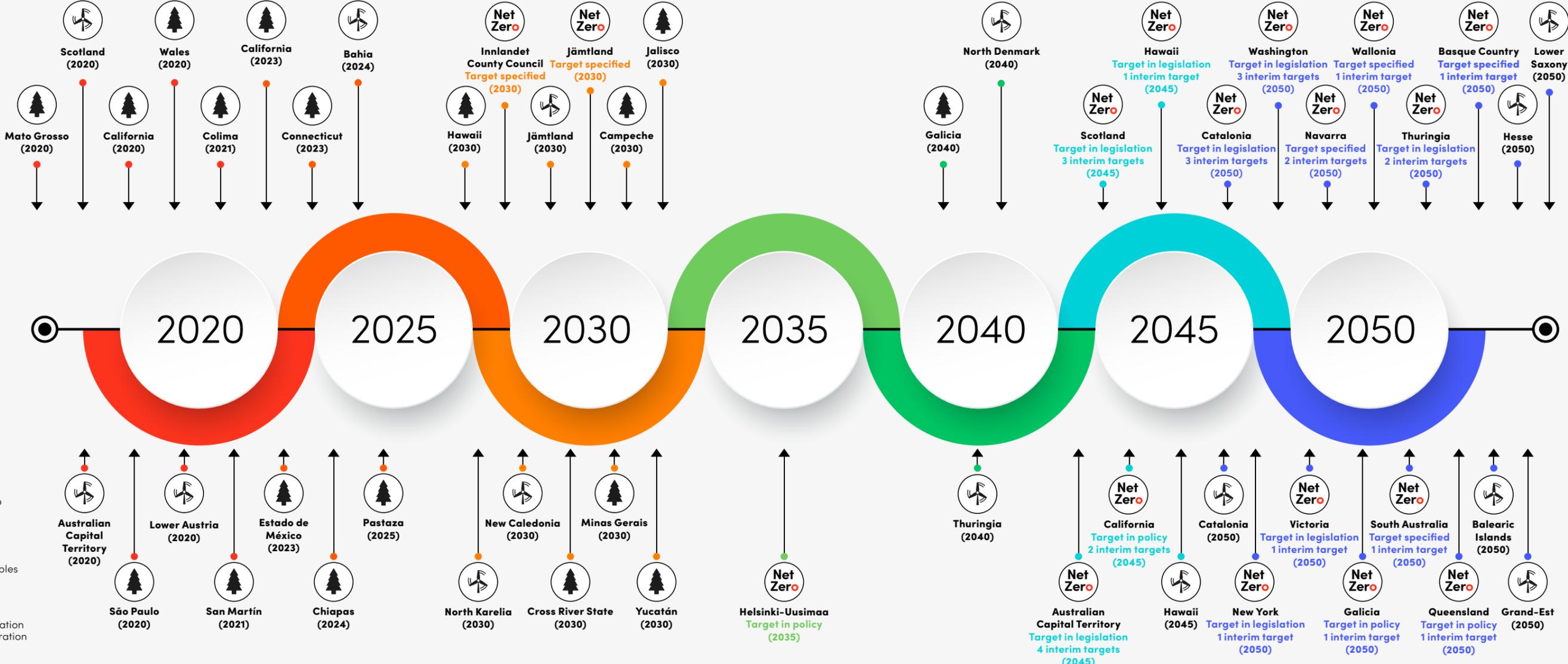
1.3 GtCO₂e

is equivalent to the drop in emissions we would see if the 18 governments achieved their net zero targets, which is greater than the current emissions of Brazil.

The path to net zero

The path to net zero highlights states and regions that have committed to achieving net zero emissions, have a 100% renewables target, or a target to conserve or restore their forest area.

- **Innlandet County Council** is already generating 100% of their electricity from renewable sources.
- **Minas Gerais** aims to increase the percentage of total native vegetation in the state by 15% by 2030.
- **Jämtland** plans to reduce emissions by 10% each year this decade to reach net zero by 2030.
- **Hawaii's** target is to be net-negative by 2045.



- **Estado de México** aims to reforest 15,000 hectares of land with 14.5 million trees by 2023.
- **Yucatán** has set three targets to increase forest protection and sustainable management by 2030, including a target to halve the area of forest degraded by fires annually through comprehensive fire management.
- **Cross River State** intends to plant 160,000 trees in degraded forest reserves, community forests and marginal land by 2030.
- **Scotland** has an emissions reduction target for every year from 2020 to 2045 with key milestone targets at each decade.

Action 1:

Ending fossil fuel consumption and transitioning to renewable energy

For the second consecutive year, our analysis has found that states and regions are significantly outperforming the global average in transitioning their electricity supply away from fossil fuels and towards renewable energy.

This year's analysis shows that an average of 47% of electricity generated in 95 states and regions comes from renewable sources, an increase from 45% in 2019.

In contrast, the International Energy Agency (IEA) reports that the global average for electricity generated from renewables was 26% in 2018³. This highlights the important steps that states and regions are taking towards redesigning the electricity system: a crucial component in building a net zero world.

Coal-fired electricity generation globally accounted for nearly a third of CO₂ emissions in 2018⁴. Coal is considered the least efficient and most polluting of all fossil fuels and must be rapidly phased out to achieve net zero. Coal accounts for an average of 12% of electricity generation in states and regions, in contrast to the global average which stands at 38%.

While disclosing states and regions generate a slightly lower proportion of their electricity from natural gas than the global average, they are more reliant on oil: generating 11% of their electricity from oil compared to the 3% global average.



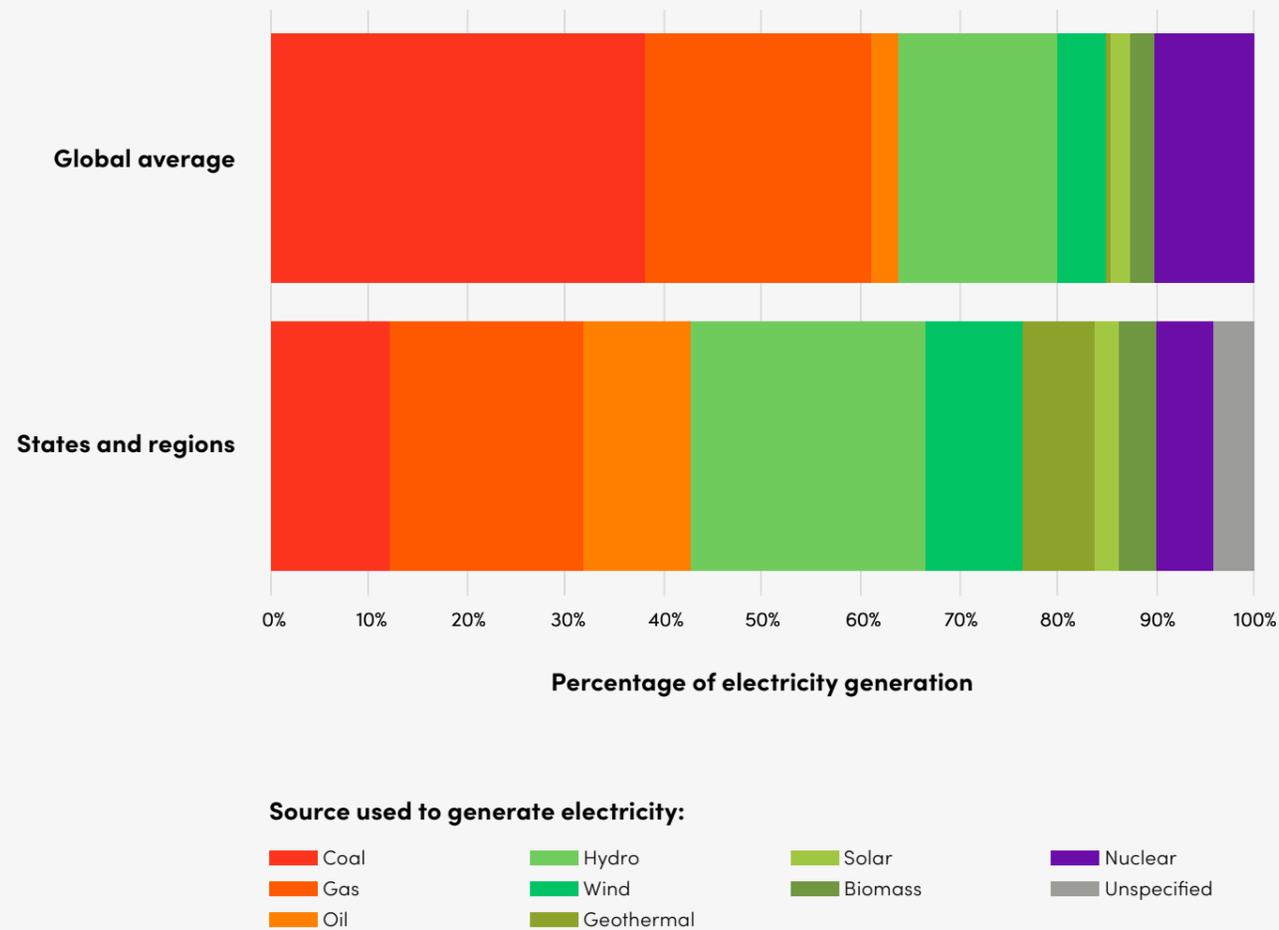
47%

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Electricity generation in reporting states and regions versus 2018 IEA global average



The most common renewable source of electricity generation is hydropower, with states and regions reporting an average of 24% of their electricity generated from it. This largely comes from governments in the Americas, where hydropower accounts for an average of 36% of their electricity generation.

However, the huge environmental and economic consequences of installing large hydroelectric dams cannot be ignored. Deforestation and its impact on local biodiversity, the diversion of key water supplies, and the release of greenhouse gas emissions from land-use change are all consequences that states and regions should consider seriously when integrating hydropower into their energy mix⁵.

Other solutions lie in wind, geothermal and solar energy. With states and regions reporting an average of 10%, 7% and 3% of electricity generation from these sources, respectively, there is significant scope to make more use of them in future.

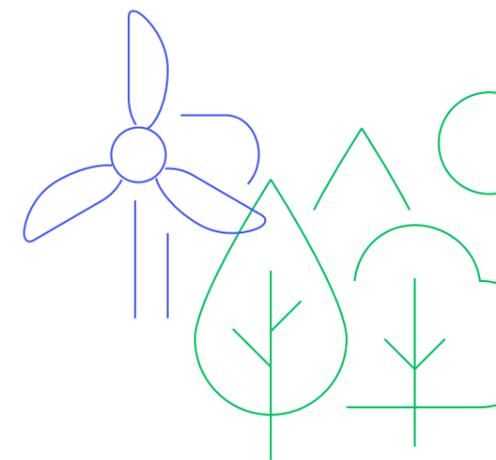
Opportunities for further action

Beyond significantly reducing GHG emissions, renewable energy provides many opportunities that governments can take advantage of as they recover from COVID-19. For example, the renewable energy sector can provide a wealth of new jobs; 32% of states and regions report an increase in clean technology businesses operating within their jurisdictions. Another benefit is increased reliability of more decentralised grid systems.

States and regions have demonstrated significant progress in transitioning to renewables. However, more investment is required to continue this progress and fully replace fossil fuels in the energy mix. The IEA's World Energy Outlook 2020 reports that solar power is now becoming the cheapest energy source ever recorded⁶. Investing in solar energy can provide significant economic incentives for states and regions as they seek to recover from the economic downturn resulting from the COVID-19 pandemic.

As with all large infrastructure projects, planning for new renewable energy developments requires governments to conduct environmental impact assessments. Affected stakeholders must also be consulted when developing a pathway towards net zero, like employees from the fossil fuel industry, or local communities that may be disadvantaged by redirecting water supplies for the construction of hydropower dams.

A just transition and the application of relevant Sustainable Development Goals must be central to long-term planning so that climate action has a positive impact on local communities.



Action 2:

Conserving, restoring and protecting natural carbon sinks

Forest ecosystems help stabilise the climate and play an integral role in reaching net zero emissions.

Alongside the wealth of benefits they bring, such as food and raw materials that sustain millions of people globally, forests play an important role in the carbon cycle: helping to remove and balance out anthropogenic CO₂ emissions.

However, they have long been threatened by climate change, as well as logging and burning to make way for agriculture, hydroelectric power and mining. We are also becoming accustomed to the ever-increasing sight of wildfires devastating the world's forests, from **California** to **Mato Grosso** and **Victoria** to **Central Kalimantan**. While many fires are naturally occurring, deforestation and climate change compound the threat significantly: altering weather patterns to create drier and more flammable forests.

More action is required

95 states and regions are included in this analysis, located in the Amazon rainforest in Brazil, Ecuador and Peru to the woodlands of Europe and North America, to tropical rainforests in Central and West Africa, and the island of Borneo.

91% of states and regions consider the impacts of deforestation and forest degradation in their territory to be serious or extremely serious, yet only 46% have determined policies, 37% report a plan,



91%

of states and regions consider the impacts of deforestation and forest degradation in their territory to be serious or extremely serious.

Yet only

46%

have determined policies

37%

have a plan

18%

have set a target to tackle these issues.

The path to net zero

Action 2



Poor land use, coupled with the fact that 100% of Ceará's territory is susceptible to desertification, puts the land at risk of becoming completely infertile without strong intervention.

People are being forced to move away from their homes as a result of deforestation. The government anticipates increased tensions and conflicts as natural resources become scarcer, and the land can no longer meet human demands.

and 18% have set region-wide targets to tackle these issues. The discrepancy between the large proportion that are experiencing impacts and those that are making efforts to address them underlines that more action and political will is needed when it comes to halting deforestation and forest degradation.

We encourage all states and regions experiencing these issues to commit to ending the destruction of their forest ecosystems. Similarly, those without large forest ecosystems should support the reforestation of degraded land and focus

efforts to regulate corporate investments that harm forests outside of their jurisdictions.

By prioritising natural capital and conserving, restoring, and protecting natural carbon sinks, governments can make significant progress to net zero while reaping an abundance of co-benefits for citizens and in support of the Sustainable Development Goals.

Percentage of states and regions experiencing different drivers of deforestation and forest degradation, and actions being taken to overcome them:



37%

Small-scale agriculture and colonisation

Cross River State has established a policy that states agroforestry practices to produce trees, livestock and crops on the same area of land shall be enhanced to increase wood production, food security and socio-economic development while protecting the environment.



34%

Fires

As part of **Hawaii's** Sustainable Hawaii Initiative, the state is working to reduce fuel loads in fire-prone areas, and conducting weed control and native species restoration to reduce wildfire risk, as non-native grasses and shrubs are more prone to wildfire.



29%

Unsustainable logging

Connecticut has a property taxation policy under which private landowners face minimal annual financial liability for keeping private forests as forest. The state recovers taxes if the owner withdraws from program early.



26%

Large-scale agriculture

Central Kalimantan has a policy that obliges all plantation businesses to conserve and manage the High Conservation Value areas that exist within their land.



26%

Livestock

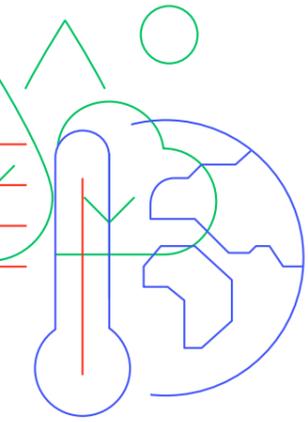
Tocantins is designing its Payments for Environmental Services (PSA) policy, to create mechanisms to translate ecosystem services into economic value and reduce reliance on livestock and agriculture.



22%

Mining

West Kalimantan has introduced a regulation to encourage private companies in land-based industries to conserve a minimum of 7% of the natural forest within their business areas.



The Climate Decade: Ten years to deliver

To put us on track for global net zero by 2050, and to have a chance of limiting global warming to 1.5°C, we must reduce global greenhouse gas emissions by 40-50% from 2010 levels by 2030 according to the IPCC⁷.

Here, we evaluate the ambition of states and regions reporting 2030 targets against this crucial milestone and identify where they can collaborate with national governments to aim collectively higher.

26 states and regions, which make up almost 90% of those reporting a 2030 target, have one that is in line with the global goal set out by the IPCC. The figure shows that most of these have a 2030 target that is even more ambitious than the upper limit of percentage reduction required. Two governments, **Innlandet County Council** and **Jämtland**, have even committed to net zero by 2030. Several states and regions have also made significant progress towards achieving their 2030 targets, with roughly one third now more than halfway to achieving them.

Only four states and regions report 2030 targets that are not currently in line with the global goal. Of these four, **Andalucía** and **Northwest Territories** have achieved 75% or more of their targets already, demonstrating that they have the scope to increase their ambition for the next 10 years to at least align with the global goal.

Together, national governments and states and regions can aim higher

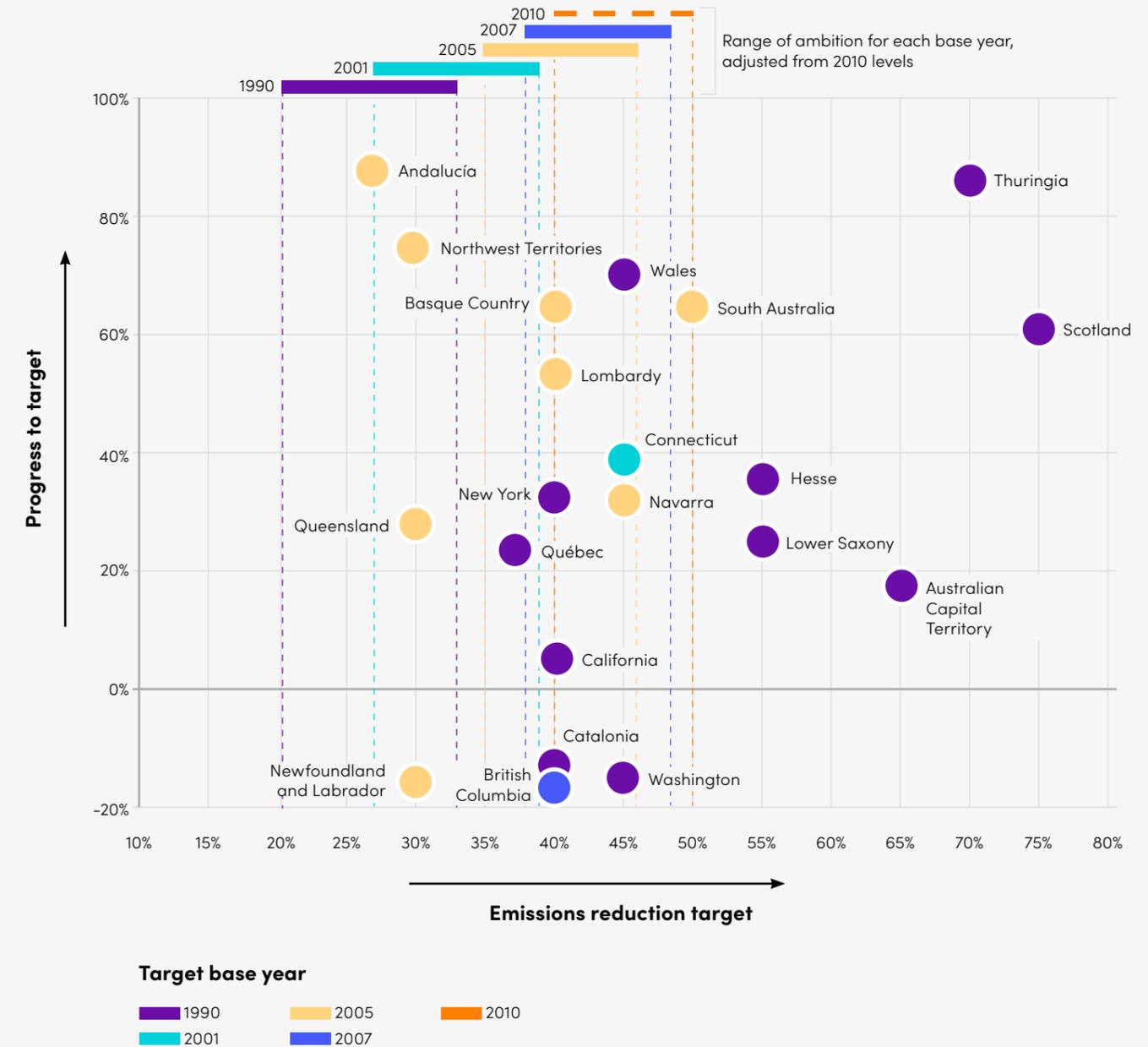
Of the 2030 targets reported by states and regions, 55% are more ambitious than those set or proposed by their respective national governments. Almost 40% are also more ambitious than the global goal of 40-50% emissions reductions from 2010 levels.

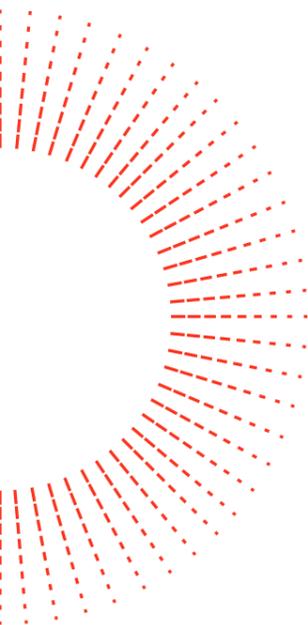
National governments must consider the ambition of these states and regions when they submit their enhanced NDCs ahead of COP26 so that they can aim for the highest emissions reductions possible in this decade. This is especially important given that most states and regions included in our 2030 analysis are in developed nations, which will need to achieve much steeper emissions reductions than 40-50% from 2010 levels when accounting for global equity.

It goes both ways. National governments can in some cases push states and regions to increase their ambition, too. For example, the European Union (EU) is in the process of legislating a more ambitious 2030 target from their existing target of 40% reductions to 55% reductions from 1990 levels.

Progress and ambition for 2030

The coloured bars represent the ranges of ambition required to align with the IPCC's recommended global goal of 40-50% emissions reductions from 2010 levels by 2030, adjusted for the different base years that states and regions have used for their targets.





We would expect states and regions in the European Union to ratchet up their ambition accordingly and align with this new target when it passes.

Considering global equity

In most cases in this analysis, the ambition required to achieve a fair share of emissions reductions by 2030 is much higher than both national governments and their state and regional counterparts currently have, based on methodology from the Climate Action Tracker. For example, for the EU to achieve a fair share of reductions in line with 1.5°C, the Climate Action Tracker recommends a target of 65% reductions from 1990 levels, accompanied by efforts to support other countries to reduce their emissions⁹.

The European Commission's proposal of 55% reductions will already take a significant and concerted effort for the EU to achieve, 65% reductions would require even more intensive measures. Achieving the likes of these reductions will require strong political will and collaboration across all government levels.

Three EU regions are showing what's possible. By 2030, **Jämtland** aims to be net zero, while **North Karelia** has a target of 80% reductions from business-as-usual emissions, and **Thuringia** plans to reduce emissions by 70% from 1990 levels.

Not all states and regions will be able to reduce emissions so steeply over the coming decade, so it is states and regions like those above that can advance the ambition of their national governments and support the distribution of efforts within countries to achieve national goals together.

Making it happen

89 states and regions, or almost three quarters, disclosing this year did not report a 2030 target. This decade is a defining moment in the fight against climate change, providing us with possibly our last opportunity to achieve net zero emissions globally by 2050. It is critical that all states and regions with the capacity to measure and track their emissions set a 2030 target so that we can effectively track progress and galvanise momentum towards the net zero goal.

States and regions seeking to set targets or raise their ambition should follow scientific advice from the IPCC and use the upcoming NDC enhancements to benchmark their aims: either choosing to align with their national counterparts or going beyond.

Effective climate action in this decade will require strong collaboration between states and regions and their national counterparts. 85% of states and regions reported that they are already collaborating with their national governments in areas of climate action such as emissions reductions, renewable energy, energy efficiency and adaptation. However, only 21% reported that they have been involved in national climate action planning. Ahead of COP26, state and regional governments should be consulted during the enhancement of the NDCs to ensure that they are ambitious and can be successfully delivered.

If the next nine years are used wisely, and governments focus efforts and investments on a green global recovery from the COVID-19 pandemic, we can create opportunities to support the rapid decarbonisation required to meet global net zero by 2050 while creating a more resilient, sustainable and prosperous world.

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A message from our directors



Tim Ash Vie, Director of the Under2 Coalition at the Climate Group & Kyra Appleby, Global Director of Cities, States and Regions at CDP

This sixth edition of the Climate Group's and CDP's Global States and Regions Annual Disclosure Report comes at a particularly turbulent time for governments across the world. Addressing the challenges of COVID-19 has made reporting more difficult this year, and we are thankful for the efforts made by states and regions to provide this data.

We know collectively what is at stake if we do not keep global warming below 1.5°C degrees. As this report shows, many states and regions are already taking world-leading steps to stay within this temperature range – but much more action is

needed. We must see stronger emissions reduction targets, in line with net zero and with concrete action plans to achieve them. As we approach COP26 in 2021, we must also see collaboration between national governments and their state and regional counterparts to set the highest ambition possible for the Climate Decade. Only by working together can we successfully transition to a net zero world of equity and resilience.

The Climate Group and CDP would like to thank all disclosing governments for their commitment to reporting in the Annual Disclosure. The analysis and interpretation of the reported data was carried out by the Climate Group and CDP.

To explore the data and methodology behind the analysis please see the Annual Disclosure 2020 Annex at: www.theclimategroup.org/Annual-Disclosure

Start disclosing in 2021

By choosing to disclose annually, governments:

- Showcase their climate ambition in the Annual Disclosure Report and on the [UNFCCC Global Climate Action Portal](#)
- Ensure their climate commitments are backed by reliable, publicly available data through [CDP's Open Data Portal](#)
- Demonstrate their climate change leadership to companies, investors, other governments and the international community
- Benchmark their climate actions against those of other disclosing governments
- Identify climate-related risks and cost saving opportunities
- Inform the Climate Group's programmatic work and ensure that the webinars, case studies and policy groups are tailored to their needs and interests

Contact the Climate Group and CDP to start disclosing in 2021:

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The forest data used in this report was collected using CDP's 2020 States and Regions questionnaire's forest module which is supported by the International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) on the basis of a decision adopted by the German Bundestag via the NYDF Global Platform