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To: laura.carr@opr.ca.gov

Subject: Under 2 MOU: Final Updates

Attachments: States Regions COP21 Position Paper- Summary_FINAL_20Nov2015.pdf; Under 2 MOU Background.docx

Importance: High

Dear all,

Now that Paris is underway we have a few final updates. Attached please find:

An up-to-date background document on the MOU which may be used for talking points

A position paper from The Climate Group on States & Regions

Also, we will be submitting the list of names of signatories to the Paris Pledge later today. If you would like to opt out your government and have not yet done so, please respond by COB today and we will take you off the list. (Nations will not be subscribed to the Paris Pledge as this is purely a subnational pledge.)

Thank you,

Laura

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THE CLIMATE GROUP

STATES & REGIONS



STATES & REGIONS COP21 POSITION PAPER: SUMMARY

Sub-national jurisdictions—including states, regions and provinces—have led the world in taking actions to address the causes and consequences of climate change.

We call on all countries to support the delivery of an ambitious, comprehensive, and durable global climate deal that includes the following:

1. **An ambitious long term goal** that includes global net decarbonization before the end of the century, in-line with limiting global average temperature increase below 2°C. *Through the Under2MOU, states and regions have committed to 80-95% GHG reductions by 2050 or per capita emissions below 2tCO₂e.*
2. **Regular renewal periods** of no more than five years to increase ambition, beginning in 2020. New commitments must be more ambitious than existing ones. *Many state and regional governments have achieved their climate targets ahead of schedule and have subsequently strengthened them.*
3. **Finance at scale** must be delivered for mitigation and adaptation, including US\$100 billion a year from 2020 to support the poorest and most vulnerable countries. Sub-national authorities need direct access to climate finance to empower action at all levels. *States and regions are successfully pioneering replicable models for new financial institutions and instruments that stimulate billions in private sector investment.*
4. **Carbon pricing and market mechanisms** must be recognized and enabled, including those operated by sub-national governments. *Carbon pricing mechanisms, including carbon markets, are already in place in a number of states and regions and are being expanded to include new jurisdictions.*
5. **Adaptation plans and actions** by states and regions must be recognized and enabled by Parties. *Through the Regions Adapt initiative, states and regions are committing to supporting other local governments to develop and implement adaptation strategies.*
6. **Transparency and accountability** must underlie shared accounting and reporting rules, standards and guidelines. National reports must build on and recognize sub-national data and reporting. *In 2015, 44 governments from 18 countries publicly reported to the Compact of States & Regions.*
7. With respect to **equity**, the Agreement should reflect the evolving nature of economic development that has occurred, while also acknowledging differentiated responsibility. *Sub-national governments have developed specific North-South and South-South initiatives to respond to climate change.*
8. **Recognition of sub-national governments** and their critical role in addressing climate change, must be included in the Paris agreement. *States and regions play a vital role in driving climate actions, and support the delivery of an ambitious, comprehensive and durable global climate agreement.*
9. **Enable the pre-2020 Action Agenda to drive increased action and ambition, esp. by non-party actors:**
 - **Enhance the participation by sub-nationals in UNFCCC**, including by formalizing recognition of sub-national climate action and ambition, establishing an ongoing forum for sub-national governments and other non-state actors to regularly share their climate actions and ambitions with Parties, and creating a new category of accreditation for sub-national government entities.
 - **Support actions in the land-use sector, including REDD and REDD+ mechanisms**, including efforts at the sub-national and local levels, and prevent double-counting of these efforts.
 - **Take specific actions on emissions from international bunker fuels, oil and gas, coal mining, iron and steel, cement and petrochemicals**, as well as subsidies for **fossil fuels**, and enhance **technology transfer and capacity building**, in ways that create opportunities for states and regions to engage.



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“Under 2 MOU” BACKGROUND

The “Under 2 MOU,” formally the Subnational Global Climate Leadership MOU:

- Brings together subnational governments willing to commit to either reducing their greenhouse gas (GHG) emissions 80-95% below 1990 levels by 2050 or achieving a per capita emissions target of less than 2 metric tons by 2050;
- Is in line with scientifically established emissions levels necessary to limit global warming below 2 degrees Celsius;
- Spans five continents and 20 countries with a total population of approximately 588 million residents and a collective GDP over \$17.9 trillion. If the signatories represented a single country, it would be the largest economic entity in the world by GDP, surpassing the United States;
- Offers an opportunity for states, regions, and cities to share ideas and best practices on how to reduce GHGs and promote renewable energy;
- Provides a model for other subnationals to join;
- Builds momentum and collaboration ahead of the UN Climate Change Conference in Paris this December and encourages greater national ambition at those negotiations;
- Brings international attention to the actions and ambitious reduction goals of climate leaders at a subnational level around the globe;
- Demonstrates the collective impact of these actions and commitments across states, regions, cities, and countries; and
- Highlights the diversity of approaches to reducing emissions.

What does the MOU entail?

The agreement brings together subnational governments willing to make a number of key commitments, including either reducing GHG emissions equivalent to 80-95% below 1990 levels or to 2 metric tons or less per capita by 2050. Signatories also commit to establishing midterm targets needed to support long-term reduction goals; sharing technology, scientific research, and best practices to promote energy efficiency and renewable energy; coordinating on a number of issues from transportation to short-lived climate pollutants; working towards consistent monitoring, reporting, and verification of their emissions; and assessing the projected impacts of climate change on communities. All signatories submit an appendix to the MOU that outlines their unique set of actions and plans to reach their reduction goals.

“Under 2 MOU”?

“Under 2” refers to the MOU’s goal of limiting global warming to below 2 degrees Celsius, which Intergovernmental Panel on Climate Change (IPCC) scientists say is needed to avert the potential consequences of climate change, and to the goal of limiting GHG emissions to below 2 metric tons per capita by 2050.

How did the MOU originate?

The Under 2 MOU originated from a partnership between California and the German state of Baden-Württemberg out of the desire to bring together ambitious subnational governments willing to make key commitments towards emissions reduction and to help galvanize action at the UN Climate Change Conference in Paris this December.

Why do subnationals matter?

According to the United Nations Development Program, 50-80% of the mitigation and adaptation actions necessary to tackle climate change will be implemented at the subnational or local levels of governance. Subnational governments are particularly well placed to address climate change for a number of reasons, including:

- They are often responsible for the development and implementation of policies that have the most impact on climate change, including in the areas of air quality; transportation; energy and energy efficiency; the built environment; natural lands; technology innovation, development, and transfer; and others that have direct implications for GHG emissions levels;
- Subnational governments often serve as the laboratories for policy innovations which are then adopted at the national and even international level; and
- Subnational governments provide the critical link in the vertical integration of climate policies between national and local governments.

Can cities and nations participate?

City and national governments are critical partners in this initiative. For the purposes of this MOU, cities are defined as subnational governments and are welcome to become signatories of the MOU. National governments are invited to

endorse the MOU as endorsing partners. By way of its endorsement, a nation may indicate a range of support. For instance, a nation could indicate its commitment to support subnational jurisdictions within its boundaries in their efforts to reach emissions targets, to encourage subnationals to sign the MOU, and/or to limit national GHG emissions.

How is the MOU related to other initiatives, such as the Compact of States and Regions?

The MOU and the Compact of States and Regions are separate but complementary and coordinated initiatives. The Compact provides a mechanism for governments to measure and report progress against their emissions reductions commitments, while the MOU encourages subnational jurisdictions to join together to make ambitious emissions reduction commitments in advance of Paris. Participation in both the Compact and the MOU involves collecting data on emissions reduction targets; however, the Compact provides the formal annual reporting mechanism to help governments track progress, compare and measure the effectiveness of their strategies.

Which jurisdictions have already signed or endorsed the MOU?

To date, 65 states, provinces, regions, cities, and nations have signed or endorsed the MOU. A plus (+) denotes the government has endorsed the MOU.

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|----------------------------------|-------------------------------------|
| 1. Acre, Brazil | 34. Minnesota, USA |
| 2. Alsace, France | 35. City of Nampula, Mozambique |
| 3. Amazonas, Brazil | 36. The Netherlands (+) |
| 4. The Azores, Portugal | 37. New Hampshire, USA |
| 5. Baden-Württemberg, Germany | 38. New York City, USA |
| 6. Baja California, Mexico | 39. New York State, USA |
| 7. Bas-Rhin, France | 40. North Brabant, The Netherlands |
| 8. Basel-Landschaft, Switzerland | 41. North Holland, The Netherlands |
| 9. Basel-Stadt, Switzerland | 42. North Rhine-Westphalia, Germany |
| 10. Basque Country, Spain | 43. Northwest Territories, Canada |
| 11. Bavaria, Germany | 44. Ontario, Canada |
| 12. British Columbia, Canada | 45. Oregon, USA |
| 13. California, USA | 46. Pernambuco, Brazil |
| 14. Catalonia, Spain | 47. Quebec, Canada |
| 15. Chiapas, Mexico | 48. Rhône-Alpes, France |
| 16. Connecticut, USA | 49. Rondônia, Brazil |
| 17. Cross River State, Nigeria | 50. City of San Francisco, USA |
| 18. Emilia-Romagna, Italy | 51. Sardinia, Italy |
| 19. Estado de México, Mexico | 52. Schleswig-Holstein, Germany |
| 20. Germany (+) | 53. Scotland, UK |
| 21. Gifu, Japan | 54. Sichuan, China (+) |
| 22. City of Guédiawaye, Senegal | 55. South Holland, The Netherlands |
| 23. Hidalgo, Mexico | 56. Thuringia, Germany |
| 24. Italy (+) | 57. Tocantins, Brazil |
| 25. Jalisco, Mexico | 58. Ucayali, Peru |
| 26. Jiangsu, China (+) | 59. The United Kingdom (+) |
| 27. Kathmandu Valley, Nepal | 60. City of Vancouver, Canada |
| 28. Lombardy, Italy | 61. Vermont, USA |
| 29. City of Los Angeles, USA | 62. Wales, UK |
| 30. Luxembourg (+) | 63. Washington, USA |
| 31. Madeira, Portugal | 64. Yucatán, Mexico |
| 32. Greater Manchester, UK | 65. City of Zhenjiang, China (+) |
| 33. Mexico City, Mexico | |

For more information on the Under 2 MOU, please visit under2mou.org.