



Future Fund

Impact Report 2023

Empowering developing regions
to act on climate change

About the Future Fund

Established in 2017, the Future Fund is a unique Under2 Coalition project that was developed not only for its governments but also by its governments. It relies on annual contributions to facilitate climate action in developing and emerging economies by offering direct funding for capacity-building projects, knowledge sharing and access to global climate events in regional languages.



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Québec is proud to contribute concretely to the success of the Future Fund. This partnership demonstrates how collaboration within the Under2 Coalition may give rise to ambitious projects and valuable exchanges between its members. Together, we are shaping a greener and more sustainable future for our planet.”

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

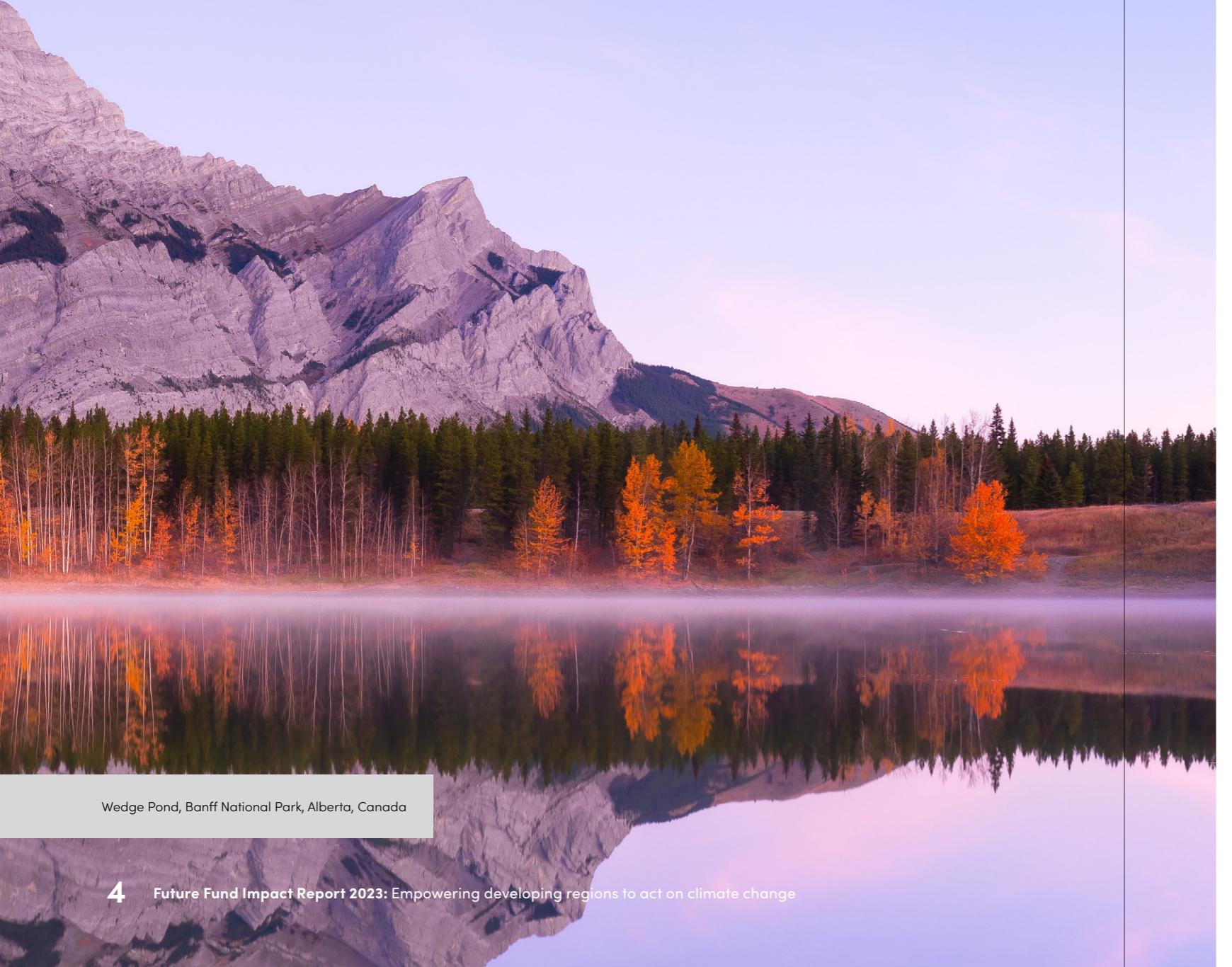
The Fund's management consists of an Advisory Board and Climate Group, which serves as the Secretariat for the Under2 Coalition. The Advisory Board is composed of contributing governments, namely Baden-Württemberg (Germany), Navarra (Spain), Québec (Canada), and Wales (UK). The Fund's beneficiaries are Under2 Coalition governments in countries primarily located in the Global South with limited access to resources and opportunities to engage in global climate networks or meetings, or to develop climate mitigation strategies. Each year these governments can apply for support from the Fund to explore local climate solutions, participate in exchanges and learn from others in the network.

The Fund's mission is firmly rooted in climate justice, offering eligible states and regions greater access to global resources, and empowering them to accelerate the shift towards net zero and drive climate action faster. The Future Fund has been successful in enabling developed and advanced states and regions to provide direct support to their peers in emerging and developing economies. It is the generosity and commitment of these participating governments that has allowed the Fund to deliver transformative change over the past six years.

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



View of the Bic Park (Parc national du Bic),
Quebec Province, Canada



Thank you from Champa Patel, the Secretariat's Executive Director

Wedge Pond, Banff National Park, Alberta, Canada



Dr. Champa Patel,
Executive Director for Governments
and Policy, Climate Group

The impacts of climate change have become ever more real for people across the world. It's clear we need to find sustainable solutions that not only cut emissions but also help communities to adapt to increasingly volatile weather patterns. From droughts in Africa to flooding in Europe and North America, 2023 has been a year of devastating natural disasters for people, economies, and ecosystems. Urgent action on climate change that is funded properly and empowers communities is crucial.

The Under2 Coalition's Future Fund has been working with subnational governments for more than five years, taking transformative actions to mitigate and adapt to climate risks. We do this by empowering communities to build resilient societies that combat climate change and promote sustainable growth. Whether it's connecting governments through secondments or installing solar panels on public buildings, the Fund puts policy into practice where it's needed the most.

It's vital that, where possible, we're able to apply local solutions to global climate problems. Our Under2 Coalition governments are leading the way on projects and policies that can make a difference. Through the Future Fund these governments, particularly those in developing regions with limited resources, can take these to the next level and move closer to achieving their goals on climate. Since 2017, over 50 subnational governments have done just this, through the generous allocation of \$1,000,000 in project funding.

The Future Fund rightly prioritises climate justice and inclusivity as it looks to support regions that are disproportionately affected by climate change, and which have historically faced barriers to climate finance. This often includes island states, low-income regions and marginalised indigenous communities. With those who did not cause the climate crisis often being the first affected by it, I'm proud that we're championing their needs and helping to support them in their work.

We also value transparency, accountability and stakeholder engagement in how the Fund's grants are applied. Grantees regularly report on their climate action progress and impacts: engaging with local communities, civil society organizations, businesses and government stakeholders. This not only gives clarity and reassurance on the Fund's many positive results but ensures that actions continue to align with community needs and priorities.

The Future Fund is a crucial step in the global fight against climate change. It offers an opportunity for a just and equitable transition to a low-carbon, resilient future. Financing subnational initiatives enables concrete action and fosters a culture of innovation. Our work demonstrates that we can build a sustainable world that meets the needs of both people and planet.

My sincere thanks for all your support with this work.

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In Navarra, our objective is to undertake a just Energy Transition by focusing on enhancing energy efficiency, embracing Renewable Energies, and promoting distributed generation through self-consumption and energy communities. Our goal is to achieve a 50% contribution of renewable energies in total final energy consumption by 2030, with electricity reaching 100%. Through our partnership with Climate Group, we have supported projects in Brazil, Senegal, Morocco, and India, aiming to undertake a Just Energy Transition on a global level. Collaborating across regions is crucial as it enables us to effectively address the need for an energy model overhaul.”

Mikel Irujo, Minister of Industry and Ecological and Digital Business Transition, Government of Navarra



Image above: Ancient roman bridge across the Arga river in Puente la Reina, near Pamplona, Navarra, Spain
Image opposite: Loch Leven near Kinlochleven and Fort William, in the Argyll region of the Highlands of Scotland



We extend our deepest gratitude to the current and previous funders for their contributions to the Future Fund: the governments of Alberta, Baden-Württemberg, Navarra, Ontario, Québec, Scotland, South Australia, and Wales. Furthermore, in 2023, we were thrilled to welcome The Bentley Environmental Foundation as an esteemed new benefactor. The overwhelming demand for our assistance consistently overshadows the extent of our support through the Future Fund. Therefore, we are actively seeking new funders who are willing to play a pivotal role in propelling this crucial initiative forward.

Future-proofing the Fund

The Future Fund serves as a potent source for climate funding that is specifically designated to empower subnational state and regional governments in developing and emerging economies to take the bold and transformative steps needed to accelerate climate action.

With the guiding principle of fairness, the Future Fund seeks to offer assistance and opportunities to those states and regions that require it the most, so that no one is left behind in the pursuit of a sustainable and prosperous future. However, the Fund can only extend limited support as the demand always surpasses the available resources. We are actively seeking additional funding to drive this crucial initiative forward.

If your government or organisation is interested in supporting us, please reach out to Mary-Claire Harvey, Project Officer, at mcharvey@theclimategroup.org.

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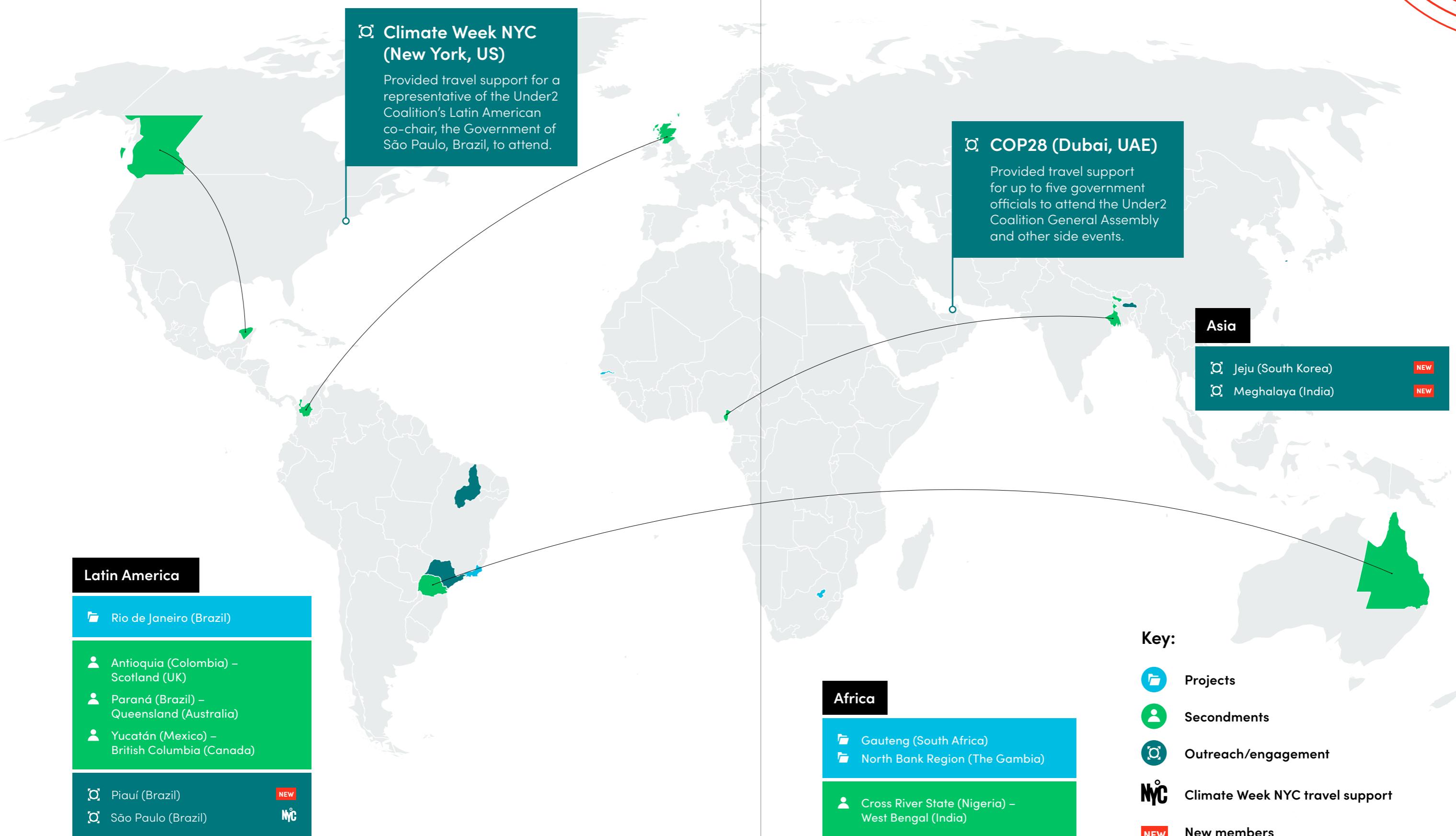
I am very pleased that the Future Fund is still growing steadily in its sixth year of existence and that in the meantime many personal exchanges are possible again. I would like to thank the Under2 Coalition for the professional management of this important instrument, which allows us making a concrete contribution to support developing and emerging countries on their way to achieve their climate protection goals.”

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



Tübingen in Baden-Württemberg, Germany, houses at river Neckar

2022-2023 at a glance





Projects



Assessing the feasibility of a waste management facility in Gauteng, South Africa

As the economic hub of South Africa, Gauteng experiences significant rates of waste generation. However, the province has a limited number of appropriate locations for establishing new landfill sites. In response to this pressing issue, the Government of Gauteng conducted a comprehensive study to determine the possibility of developing a legally compliant

integrated waste management facility. With this study, it aims to guide the province in advancing towards the next stage of performing a Feasibility Study for the implementation of a Regional Integrated Waste Facility called "Ecopark" in Gauteng Province.



We are immensely grateful to the Future Fund for their vital support in our ambitious mission to establish 'Ecopark', a cutting-edge Regional Integrated Waste Facility in Gauteng Province. With this comprehensive study, we are paving the way towards a sustainable solution for managing waste in our economic hub. This project holds the key to addressing the pressing issue of limited landfill sites and is propelling us towards a greener and more environmentally conscious future. Thank you, Future Fund, for being instrumental in making this vision a reality."

Mbali Dawn Hlophe, MEC for Social Development, Agriculture, Rural Development and Environment, Gauteng Provincial Government





The first climate mitigation and adaptation plan for North Bank Region, The Gambia

North Bank Region is one of the most vulnerable regions to extreme climate events in The Gambia. In order to address this, the region developed a Climate Mitigation and Adaptation Plan through the Future Fund and in collaboration with various stakeholders, including local communities, authorities, women and youth. The plan encompassed all seven districts of the region and focused on crucial sectors such as agriculture, forestry, livestock, water and fisheries. Previously, the region only offered relief aid to communities affected by climate hazards without a sustainable plan to mitigate

the effects. The plan encompasses the overall response framework for climate emergencies, with separate actions for immediate responses and medium to long-term measures that seek to decrease climate risks and mitigate their impact.

Furthermore, the project raised awareness within communities about the detrimental effects of climate change on their well-being and sources of income. It also enhanced understanding of the province's Climate Strategy and the National Climate Strategy at the local level.

In a region vulnerable to extreme climate events, this plan is a testament to our commitment to proactively address the challenges we face. Through collaboration with various stakeholders, we have crafted a comprehensive strategy that encompasses all aspects of our region's vulnerability. We are truly thankful for the Future Fund's visionary funding, which has enabled us to build resilience and pave the way for a brighter and more sustainable future."

Lamin Saidykhan, Governor, North Bank Region



Image above: Aerial view of mangrove forest in Gambia
Image opposite: Skyline Rio de Janeiro, Brazil



Carbon credits for farmers in Rio de Janeiro, Brazil

In Rio de Janeiro, Brazil, efforts are being made to integrate soil carbon credits into agricultural management. With Brazil ranking sixth in the world for climate pollution, it is crucial to address the agricultural sector, which is responsible for the highest emissions. By promoting sustainable farming practices and other methods to reduce emissions, the country aims to generate carbon credits that farmers can sell to companies striving to offset their own emissions. The state of Rio de Janeiro took the lead in establishing a model for calculating carbon base lines and generating soil carbon credits. The aim is to incorporate these credits into agricultural management, providing farmers with an additional source of income. The ultimate objective is to transform the way agriculture and conservation practices are perceived, emphasizing the importance of soil management and creating a valuable economic asset for family farmers.



Brazil ranks first among the 15 countries that have the greatest potential to store carbon in the world, and investing in soil studies is fundamental for policies to decarbonize Brazilian agriculture. The results of the project have supported the state of Rio de Janeiro with the development of existing public policies, legal instruments and regulatory frameworks that enable the trading of soil carbon credits in the face of the challenges of climate change, rapid loss of biodiversity and water insecurity. This will enable soil conservation actions, food security and income support for farmers, as well as increasing carbon in the soil, contributing to the mitigation of GHG emissions."

Thiago Pampolha, Vice Governor and Secretary of State for the Environment and Sustainability, Government of Rio de Janeiro



Secondments



Taking on the Climate Emergency in Antioquia with Scotland's cutting-edge approach to management and governance

The Government of Antioquia was the first Colombian state to declare a climate emergency, in February 2020. To help it strengthen its climate strategy and governance system, the Future Fund facilitated a learning exchange with Scotland, who has been in the forefront of

addressing the Climate Emergency. During six dynamic online meetings, the Scottish Government laid out the blueprint for six of its standout climate policies, including its Climate Justice Fund and Climate Change Mitigation Policy. Together, they're building a brighter, more sustainable future for all.



Exchanging experiences with Scotland has enabled us to see the bigger picture and to understand how to overcome the challenges we are facing. It has also encouraged us to look further afield for existing solutions to these challenges, which will be invaluable to us as we further develop our climate emergency strategy."

Maria Fernanda Ortega Hurtado, University Professional coordinating the climate change program of the department of Antioquia

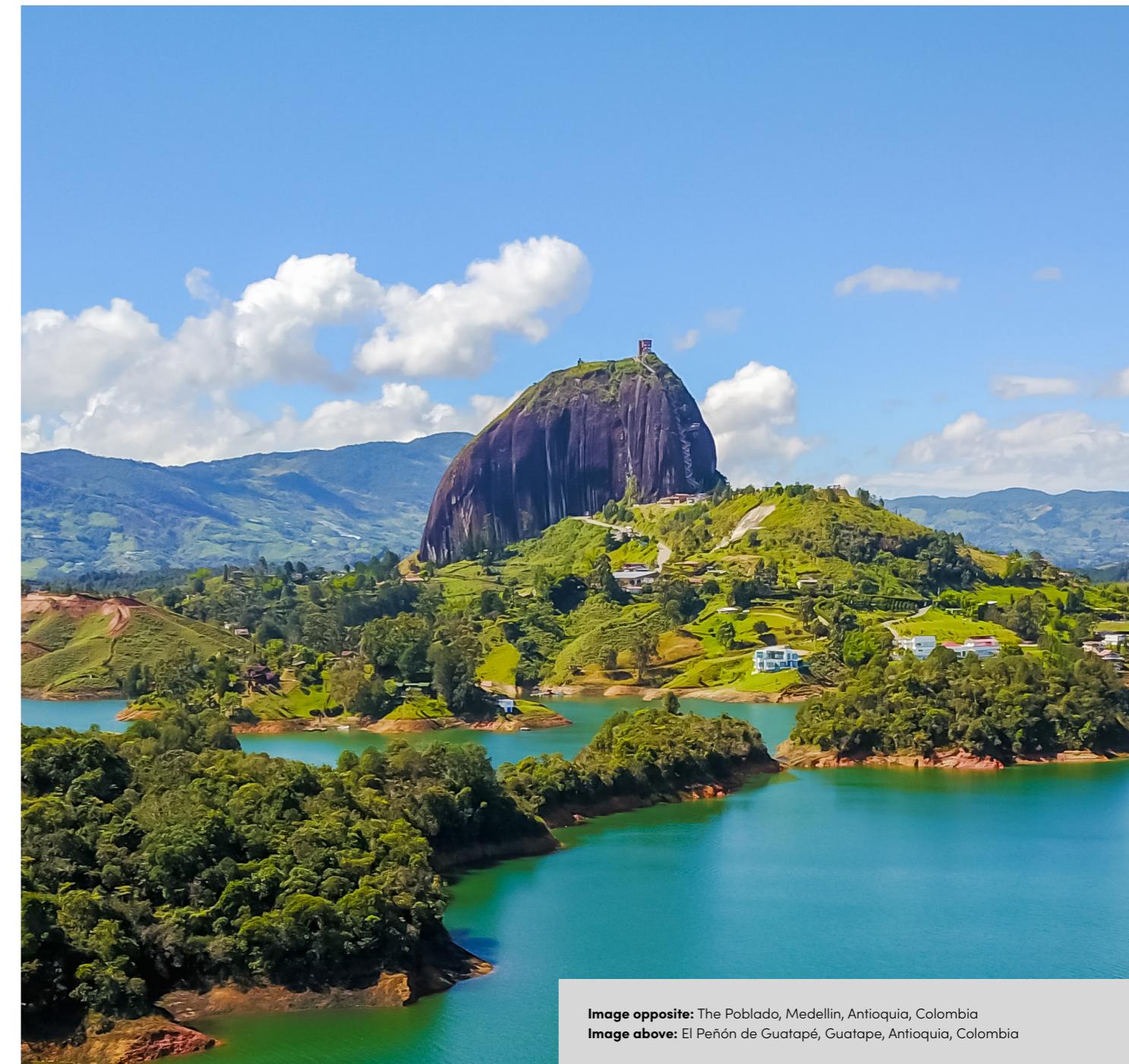


Image opposite: The Poblado, Medellin, Antioquia, Colombia
Image above: El Peñón de Guatapé, Guatape, Antioquia, Colombia



Innovating Sustainable Mangrove Management in Cross River State: Lessons from The Sundarbans

In an effort to promote sustainable management of mangrove forests in Cross River State, Nigeria, the Future Fund facilitated a virtual secondment between Cross River State and West Bengal in India, which is home to the largest mangrove forest in the world, The Sundarbans. This unique opportunity allowed participants to exchange knowledge, experiences, and

best practices in the management of mangrove forests, despite the geographical distance between them. They explored innovative approaches to the propagation of mangroves and community-based initiatives that benefit local people while preserving natural resources and mitigating the negative effects of climate change.

By engaging with experts in West Bengal, we have made significant progress towards enhancing the management of our state's mangroves. This, in turn, will improve the well-being of both the mangroves and coastal communities in Cross River State. The positive impact of this exchange will be seen in improved food, aquatic life, water, and energy security over the long term. We are grateful to the Future Fund for facilitating this transformative knowledge exchange."

Edu Effiom, Director of Forestry/State Coordinator Climate Programs,
Cross River State, Nigeria



Image opposite: Kwa Waterfalls in Cross River state, Nigeria
Image above: Aerial View of Maringá, Cathedral and downtown, Paraná



Unlocking the Power of Carbon Farming: Queensland and Paraná's Cross-Continental Learning Exchange

In April, the Government of Queensland, Australia, hosted a virtual secondment for the Government of Paraná, Brazil, on carbon farming. They presented The Australian Carbon Credit Unit (ACCU) Scheme (formerly known as the Emissions Reduction Fund) which provides incentives for a range of organisations and individuals to adopt new practices and technologies

to reduce their emissions or store carbon. The learning exchange helped officials in Paraná to understand how to successfully run projects that avoid the release of greenhouse gas emissions or remove and sequester carbon from the atmosphere.



Collaboration for Biodiversity Monitoring: Yucatán and British Columbia Exchange Best Practices to Protect Large Carnivores

The government of Yucatán, Mexico, is working on biodiversity monitoring with a focus on large carnivores such as jaguars. To accelerate effective conservation and regeneration of biodiversity and ecosystem health, they need to strengthen their monitoring, conservation, and understanding of the effects of climate change on priority ecosystems and species in the region. To achieve this, the Future Fund arranged for two government officials

from Yucatán to travel to British Columbia, Canada, in July to share knowledge and best practices on biodiversity monitoring. The secondment involved visiting different locations in British Columbia to conduct fieldwork with British Columbia's Large Carnivore Specialist as well as presentations by both governments on strategies for biodiversity conservation and monitoring.



Image above: Jaguar in wildlife park of Yucatan in Mexico

Top image opposite: Becan Maya Ruins in the Yucatan, Mexico

Bottom image opposite: Spider monkey hanging from a tree in the jungle rainforest in Quintana Roo in Mexico's Yucatan Peninsula



The secondment provided through the Future Fund with British Columbia helped us improve the organization of our biodiversity monitoring data, enhance data management, and ultimately, enhance results. This opened a window of opportunity for the better use of this data. Additionally, we established a network among subnational governments and environmental agencies for future information exchange.”

Esteban Ramírez, Project Leader of the Natural Resources Management and Conservation Department, Government of Yucatán and **Toshio Yokoyama**, Director of Natural Resources Management and Conservation Department, Government of Yucatán





Outreach and engagement

Enabling access to a network of global peers accelerating climate leadership: outreach and engagement in 2023

Climate Group, as Secretariat of the Under2 Coalition, is always striving to enable access for a more diverse set of governments, and the Future Fund is an essential tool in enabling this.



Image above: Seongsan Ilchulbong known as sunrise peak at Jeju Island
Image opposite: Seven Sister Falls, Shillong, Meghalaya, India



Building active engagement from regions in the Global South: proactive recruitment in strategic regions 2023

In 2023, the Under2 Coalition Secretariat focused on expanding its outreach and engagement efforts to enable access to a more diverse group of governmental representatives. Climate Group, as the Secretariat of the Under2 Coalition, recognized the importance of the Future Fund in achieving this objective. By targeting developing regions and providing critical resources through the Future Fund,

positive discussions were initiated with potential new members in the Global South. As a result, the Under2 Coalition successfully recruited the following new members:

- **Jeju** (South Korea)
- **Meghalaya** (India)
- **Piauí** (Brazil)

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

To ensure that the voices of diverse members are represented, the Future Fund enables senior government representatives to attend international climate events, including Climate Week NYC and the Under2 Coalition General Assembly and other side events at COPs. The Future Fund also provides translation services in Spanish and Brazilian Portuguese to ensure accessibility to all

members and support engagement with Latin American membership, which constitutes a significant portion of the global coalition. Thanks to the Future Fund, live translation services will be provided at the December 2023 Under2 Coalition General Assembly, and translated documents will also be made available to Spanish- and Portuguese-speaking members.

Looking Ahead



Rabat, Morocco's capital city, Kasbah des Oudayas and Bouregreg River



Project: Unlocking Funding for Climate Projects in Morocco: Association of Regions to Develop Practical Guide for 12 Regions

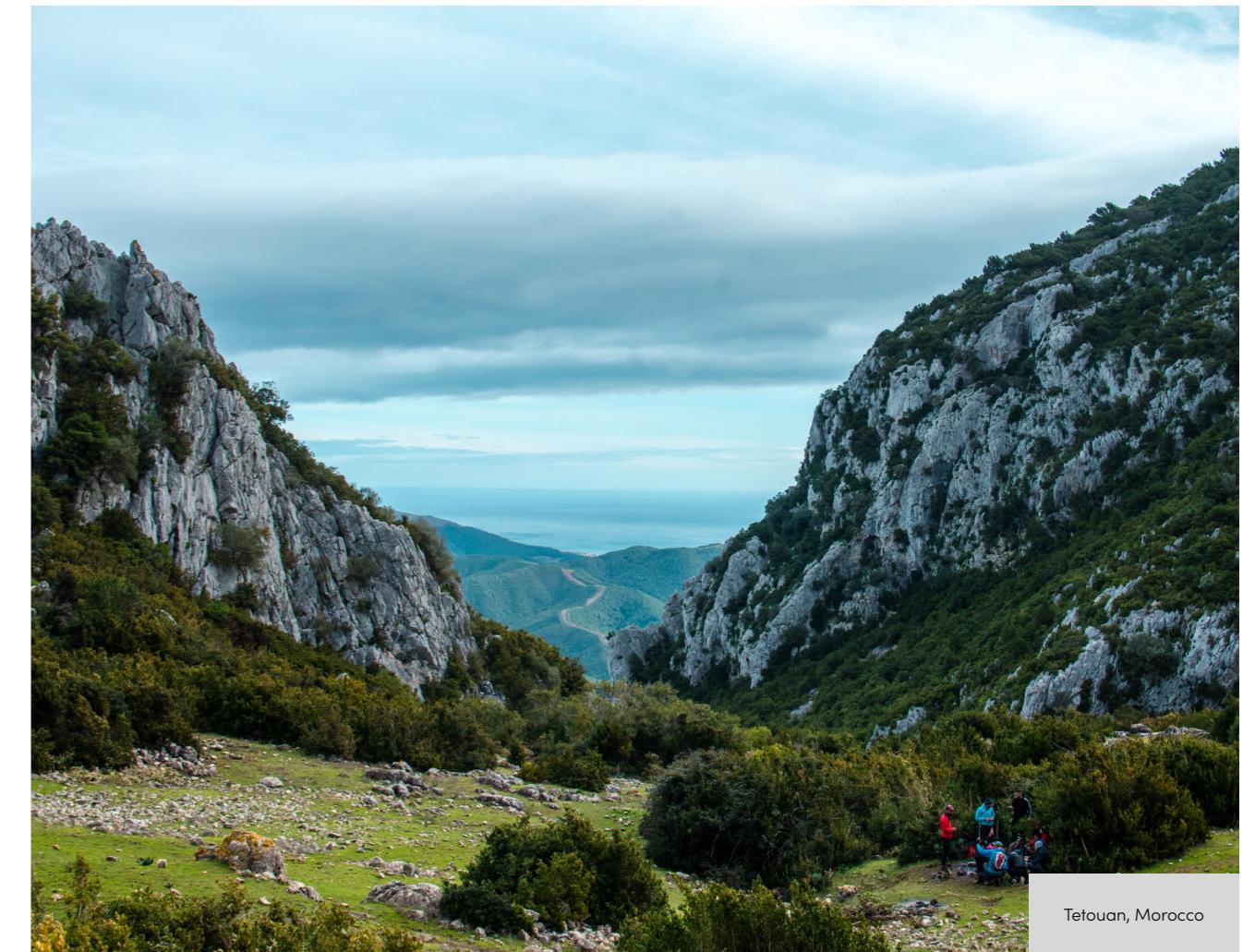
The Association of Regions of Morocco will develop a practical guide to assist all 12 regions of Morocco in securing funding for climate projects. This guide holds immense potential for providing valuable guidance to the regions, offering insights on how to access the necessary funds. The significance of this funding cannot be

understated, as it is essential for expediting the implementation of crucial mitigation and adaptation projects within the regions. Ultimately, the project aims to contribute significantly to Morocco's ambitious climate commitments, specifically targeting a reduction of 45.5% in greenhouse gas emissions by the year 2030.

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On behalf of the Association of Regions of Morocco, I would like to express our sincere gratitude for the Future Fund's invaluable support in financing the development and conception of a hands-on guide on climate finance access for Moroccan Regions, as well as their unwavering assistance in fostering expertise and experience exchange among the regions and their counterparts. Your support and expertise in assisting Moroccan regions in their transition towards resilient and low-carbon development are highly appreciated.”

Mbarka Bouaida, President of Association of Regions of Morocco (ARM)



Tetouan, Morocco



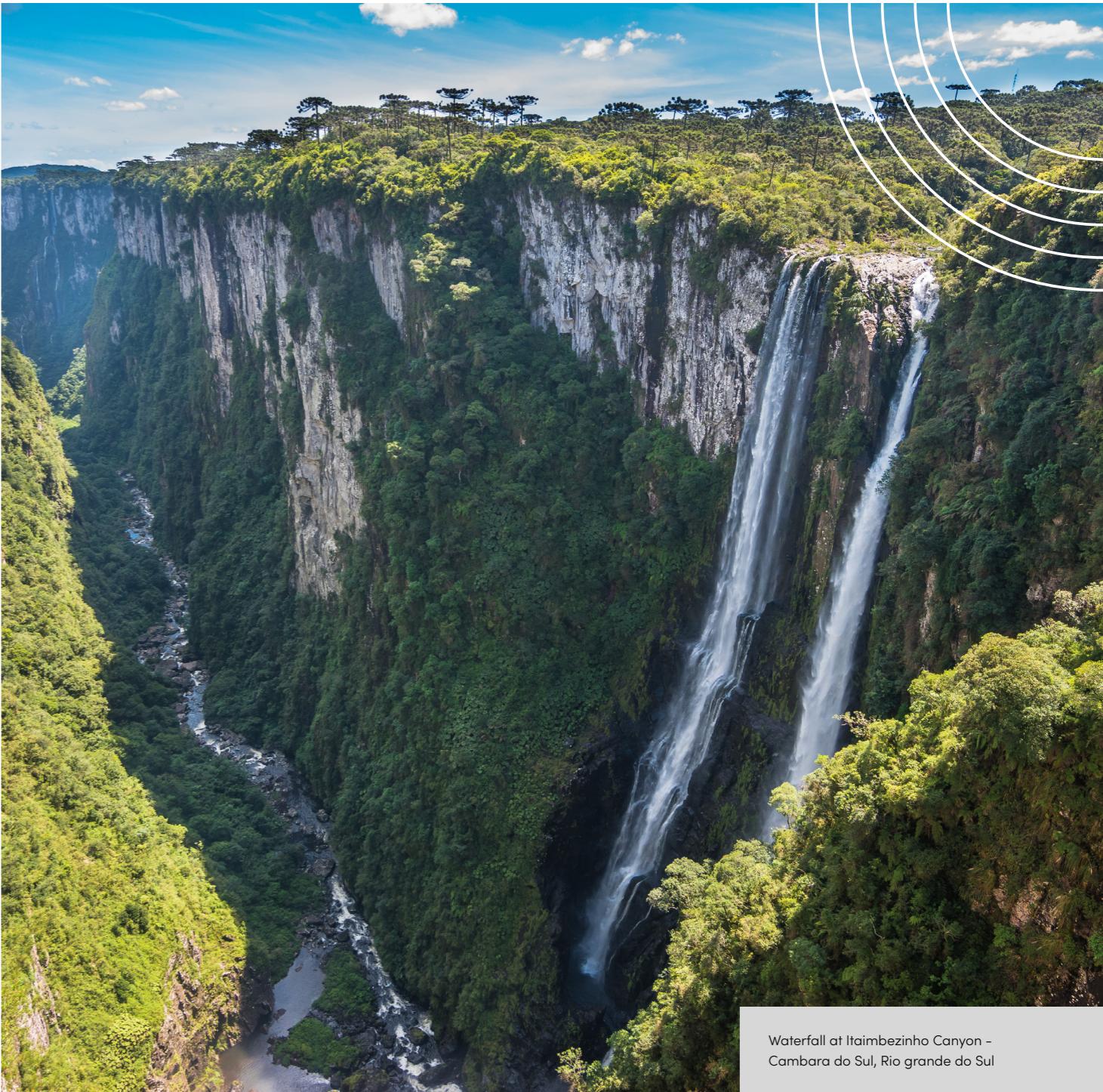
Project: Towards Climate Resilience: Government of Rio Grande do Sul Sets Course with Strategic Climate Roadmap for Municipalities

The Government of Rio Grande do Sul, Brazil, has announced its plans to develop a climate roadmap that outlines short and medium-term strategic initiatives for the municipalities of Rio Grande do Sul. The expected impact of this project is to maintain alignment between the actions advocated by the State and the efforts made at the municipal level to

tackle climate change. By creating a more cohesive approach, this project aims to enhance the effectiveness of climate change mitigation and adaptation measures, while also improving the overall climate resilience of the region. With this roadmap, the State hopes to set a clear and unified direction towards a more sustainable future for Rio Grande do Sul.



Aerial view of the city, Torres beach, Rio Grande do Sul



Waterfall at Itaimbezinho Canyon - Cambara do Sul, Rio grande do Sul



The State government is fully focused on issues related to climate change. The Climate Roadmap tool will play a strategic role in the advancement of multilevel Climate Governance as it will be a guiding instrument that will serve to measure the progress of actions at the local level, supporting municipal commissions on climate change already implemented in municipalities in the state of Rio Grande do Sul.”

Eduardo Leite, Governor of Rio Grande do Sul



Secondment: Tripura's Secondment on Climate Budgeting to Bridge the Financial and Technical Gap

The critical challenge in Tripura, India, is the lack of financial and technical resources for climate change mitigation and adaptation. In 2024, officials from the state government will undergo a virtual secondment to

address this gap. The secondment could pave the way for incorporating climate finance into the state's mainstream financial requirement and developing a climate finance policy in the future.



Image above: Baramura Hills of Tripur

Top image opposite: Medina, Minas Gerais, Brazil

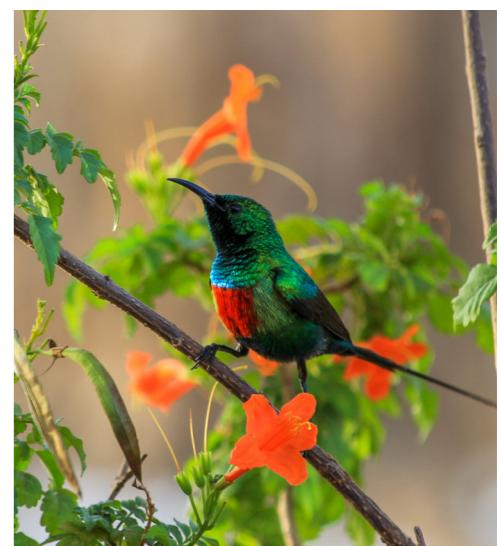
Bottom image opposite: Colorful sunbird, Sine Saloum, Senegal



Exploring Québec's Innovative Approach to the Carbon Market: A Virtual Secondment for Building Capacities in Gossas, Senegal and Minas Gerais, Brazil



The Department of Gossas, Senegal, needs to strengthen its' capacity to implement a forest policy that allows it to enter the carbon market. Similarly, the state of Minas Gerais, Brazil, is seeking knowledge on promoting carbon credit projects, with the aim of structuring a strategic public policy to combat deforestation and generate income for producers. Through a virtual secondment with the government of Québec, Canada, officials from both governments will learn about Québec's innovative approach to the carbon market which involves putting a price on carbon emissions through a cap-and-trade system.

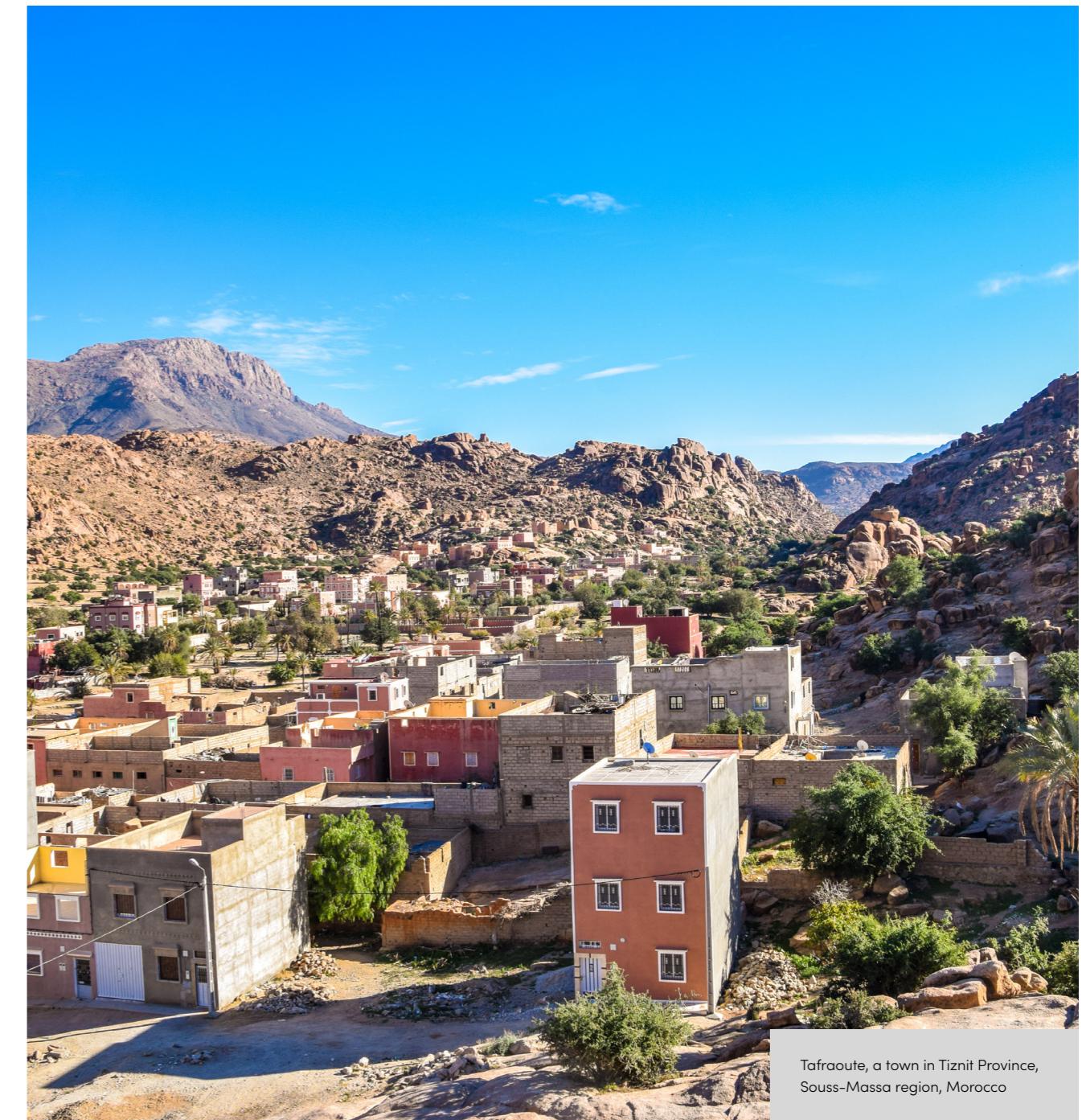
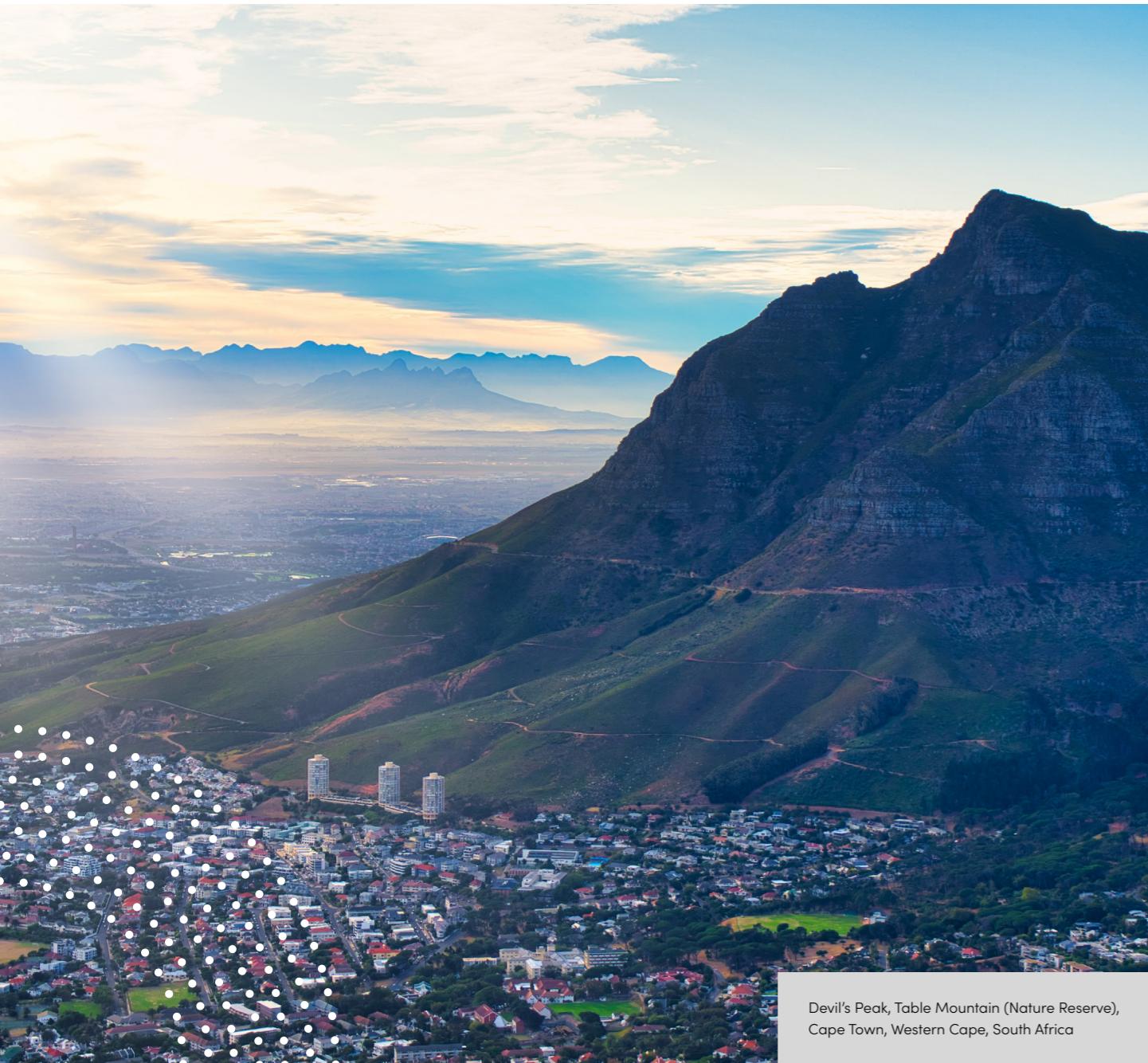




Secondment: Developing a Climate Change Adaptation Pathway for the Western Cape through Virtual Collaboration

The Western Cape province of South Africa has been experiencing an increase in the severity and frequency of extreme weather events such as droughts and wildfires. In response to this, the provincial government has been working to develop a Climate Change Adaptation Pathway to mitigate

the impacts of climate change on the province and its citizens. To further support its development, a virtual exchange between government officials in Western Cape and experts in adaptation pathway development will be facilitated.



Secondment: Expert Insights for Implementing Climate Action in Souss-Massa

The first Territorial Plan to Combat Global Warming (PTRC) for the Souss Massa region of Morocco was launched in October 2018. It is the first climate plan of its kind in Morocco that applies the National Strategy for Sustainable Development

(SNDD) at the regional level. To ensure successful implementation of the plan, government officials will undergo a secondment in a region that has implemented a climate action plan effectively.

Our governance

Image above: Llanddwyn Island on the coast of Anglesey in north Wales
Image opposite: Quebec Lower Old Town

The Future Fund is overseen by an Advisory Board which includes representatives from the governments of Baden-Württemberg, Navarra, Québec and Wales. The Advisory Board meets four 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 the board agreed to keep funding priorities the same as last year. The Fund is therefore being allocated as follows:

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



Choosing which projects to fund

This year, the Under2 Coalition Secretariat received an overwhelming response from eligible developing and emerging economy members* as 17 project proposals were submitted. Despite limited funding availability, this high number of submissions signifies the strong interest and pressing demand for these regions to implement their climate action initiatives. In line with the established criteria, the Advisory Board selected two projects and four secondments to receive funding. Along with this, travel support funding has been allocated for governments to participate in Climate Week NYC and the Under2 Coalition's General Assembly at COP28.



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

- Is the project aligned with the Under2 Coalition priorities?
- Does it contribute to developing the jurisdiction's mitigation or adaption policy framework?
- Does it encourage subnational cooperation (north-south as well as south-south)?
- Does it represent a milestone toward further funding for a bigger project in the medium to long-term within the region / state?
- Does it enable the completion of an already existing high impact/ transformative project in collaboration with a technical partner?
- Does the proposed project additionally have socio-economic co-benefits and implications for just transition, justice & equity, climate finance and/or green economic recovery?
- Is the project approach or the project benefits scalable and/or transferable to other regions?
- Does it ensure to follow adequate health and safety guidelines without risking any of the project partners?

The maximum amount awarded per project is \$25,000.

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

Our finance

In 2023, the Future Fund raised a total of US \$119,000. This included donations from the governments of Baden-Württemberg, Navarra, Québec and Wales.

Income (US\$)

Total income (Jan 2023 – Dec 2023)	\$119,000
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Allocations US\$

	Budget
Capacity building and knowledge exchange (50%)	\$59,500
Expanding the network and active engagement (30%)	\$35,700
Management and scaling of the Future Fund (20%)	\$23,800
Total	\$119,000





Thank you

We would like to extend our sincerest gratitude to the governments of Baden-Württemberg, Québec, Navarra and Wales. Their commitment to strengthening the action of their developing and emerging economy peers has demonstrated climate leadership on a global scale in 2023.

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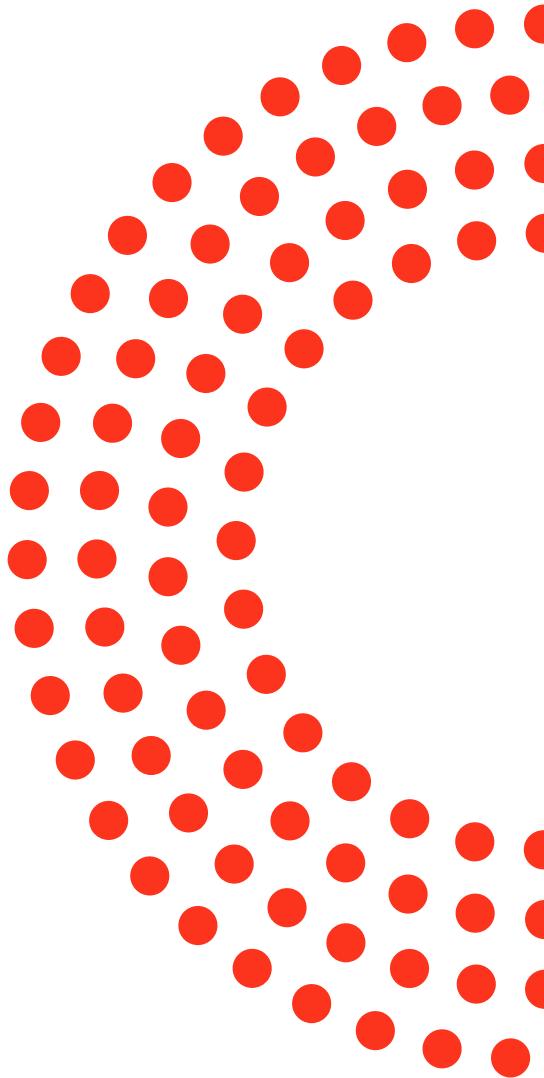
As part of our global responsibility Wales continues to join forces with other states and regions to ensure developing countries are able to build capacity and access global climate platforms in their efforts to combat the long-term effects of climate change. I am pleased that Wales is continuing to be part of the Future Fund as it is a key mechanism for us to collaborate, share ideas, and to drive faster and bolder climate action.”

Julie James, Minister for Climate Change, Government of Wales



Secretariat

CLIMATE GROUP



Contact us

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

mcharvey@theclimategroup.org

Mary-Claire Harvey
Project Officer



Baden-Württemberg
MINISTRY OF THE ENVIRONMENT, CLIMATE PROTECTION
AND THE ENERGY SECTOR

Gobierno de Navarra **Nafarroako Gobernua**

Agenda 2030



Llywodraeth Cymru
Welsh Government

Québec