



Regions4
Biodiversity
Learning Platform



Regions4 SDGs
Communities of
Practice

Financing Resilience International Forum

Shaping a resilient future: Unleashing Finance at the Subnational Level



A learning session for Regions4 Biodiversity Learning Platform, RegionsAdapt and Regions4 SDGs Communities of Practice

Financing Resilience International Forum: Shaping a Resilient Future: Unleashing Finance at the Subnational Level

Introduction

On the 2nd day of the Regions4 2024 General Assembly, a hybrid event took place, welcoming over 90 Regions4 and RegionsAdapt members and friends onsite, as well as more than 100 participants online. Hosted by the RegionsAdapt initiative, alongside the Regions4 Biodiversity Learning Platform (R4BLP) and Regions4SDGs Community of Practice, the Financing Resilience International Forum delved into opportunities and critical gaps in accessing financial resources for climate and nature. The forum consisted of two distinct sessions: the first explored regional leadership, and the second examined key financing mechanisms available to subnational governments. Following these sessions, an in-person-only segment was held exclusively for members attending the General Assembly on-site.

Background

In 2024, significant international events like the UN Summit of the Future, Biodiversity COP16, and Climate Change COP29 will tackle critical issues such as the Kunming Montreal Global Biodiversity Framework (KMGBF) and the New Collective Quantified Goal on Climate Finance (NCQG). Finance is key to accelerating action and implementing these global commitments at the necessary pace and scale.

State and regional governments, covering over 75% of federalized or devolved entities, are crucial for achieving resilience. They seek direct financial access and technical support to meet global commitments, integrating climate and biodiversity efforts with the Sustainable Development Goals (SDGs). These governments can translate global agreements into local actions, support cities, bridge urban-rural gaps, and innovate solutions that inform broader policies. However, regional governments, especially in developing regions, face financial barriers like limited access to international funds, lack of awareness of options, and challenges in developing viable projects. Overcoming these challenges is essential for accelerating resilience at the subnational level.

Objectives of the Session

- Better understand the inspiring experiences and leadership of regions regarding financing resilience, that could be replicated.
- Analysis of the critical gaps that regions face regarding accessing finance and strategies to overcome them.
- Analysis of best practices and existing tools that can help inform regions' financing strategies.
- Identifying finance opportunities relevant for subnational levels.
- Identifying priority venues of engagement of Regions4 with subnational governments around finance.
- Shaping common messages around finance to inform global processes including Biodiversity COP16, Climate Change COP29 and the UN Summit of the Future.

KEY TAKEAWAYS

- Subnational governments are vital for translating global climate agreements into actionable local initiatives.
- Subnational governments play a key role in bridging urban-rural gaps and innovating solutions that can inform national and international policies.

Significant Financial Barriers:

- Subnational governments face substantial financial barriers, including limited access to international funds and challenges in developing viable projects, and addressing these barriers is crucial for accelerating climate resilience efforts at the subnational level.

Various states, provinces and regions have implemented innovative financial mechanisms and initiatives to support climate action:

- CONGOPE focuses on efficient resource allocation and resolving conflicts. Also discussed the Amazon platform's initiatives for biodiversity conservation and sustainable production, aiming for deforestation-free certification for cocoa and coffee.
- Scotland emphasizes rapid and participatory funding mechanisms for non-economic loss and damage.
- Rio de Janeiro integrates the 2030 Agenda and SDGs, utilizing local financial resources.
- Québec leverages the carbon market to generate significant revenue for climate action.
- The Basque Country uses vulnerability analyses to guide investments in climate action.
- Paraná implements fiscal redistribution and environmental services payment programs.
- Gauteng emphasized strategic partnerships and the need for increased climate finance integration into various sectors, highlighting the role of private and public finance.
- Campeche addressed the necessity of transversal efforts across sectors, capacity-building, and long-term project support, highlighting innovative mechanisms.
- Lombardy discussed green budgeting, regional development programs, and hydrogen investments, emphasizing the importance of EU finance programs and sustainable development models.

Recommendations for Future Actions:

- Transform repair funds into prevention funds to manage climate impacts proactively.
- Address regulatory obstacles, emphasis on the need for strategic partnerships, increased finance integration, capacity-building, and sustainable development models to tackle the climate crisis effectively.
- Enhance innovative collaborations among governments, businesses, and international financial institutions.

Session 1 – Subnational Leadership in Financing Resilience

Ms. Natalia Uribe, Secretary General of Regions4, welcomed participants to the Regions4 International Forum on Financing Resilience. The event, co-organized with the government of the State of Rio de Janeiro, took place both on-site at the G-20 Home in Rio de Janeiro and online.

Ms. Natalia Uribe shared that the year 2024 was identified as pivotal for global processes, with significant events like the UN Summit of the Future, Biodiversity COP16, and Climate COP29 addressing critical issues such as global governance, the implementation of the Global Biodiversity Framework, and establishing new financial goals to combat the climate crisis. The urgency for implementation was underscored by the Global Sustainable Development Report 2023, which stated that only 18% of the SDG targets were on track or had been achieved. The COP28 Global Stocktake highlighted the potential for a 2.8°C temperature rise by the century's end, emphasizing the need for increased adaptation and funding to maintain a 1.5°C limit.

The situation was described as dire, with a critical financing gap for climate adaptation. The UNEP Adaptation Gap Report 2023 estimated that US\$194–366 billion per year was needed to address the adaptation finance gap, with developing countries requiring 10–18 times current finance flows. Previous studies showed that only 10% of finance was directed at the local level. The IPCC defined resilience as the capacity of interconnected social, economic, and ecological systems to cope with hazardous events while maintaining their essential function, identity, and structure.

Subnational and devolved governments were recognized as uniquely positioned to develop resilient and interconnected approaches, given their territorial outlook and responsibilities, uniting urban, coastal, nature preservation, water management, and different actors within their territories.

Additionally, they served as innovation laboratories, incubating local and regional solutions that could inform national and global policies. Despite their potential, these governments faced significant barriers in accessing finance to address climate change, biodiversity loss, and sustainable development goals, particularly in developing regions with significant technical capacity constraints to build 'bankable' projects, and political and regulatory barriers. Addressing these challenges was deemed crucial for enabling subnational and devolved governments to accelerate action and build resilience.

Ms. Uribe then introduced the panel for the first session, which examined the role that subnational and devolved governments played in financing resilient actions, highlighting their contributions at the international, regional, and local levels as enablers of implementation and examples of ambition, innovation, cooperation, and solidarity.

The following sections detail the main messages for each subtopic discussed.



CONGOPE | Financing and Climate Justice: A Commitment from Subnational Governments

Ms. Paola Pabón, Prefect of the Provincial Autonomous Government of Pichincha, and President of the Consortium of Provincial Governments of Ecuador (CONGOPE), highlighted several key points. She emphasized that subnational governments are fighting multiple battles, primarily due to the absence of central government roles, making regional governments the primary responders. These governments, due to their proximity to citizens are at the forefront of addressing conflicts such as mining versus water use and natural resources versus development models.

Economic resilience and climate justice are critical issues, with different regions facing these challenges under varying circumstances. Subnational governments prioritize environmental policy and efficient public resource allocation, dedicating significant portions of their budgets to restoration. In Ecuador, two popular consultations have been held on development models. Over the past year, 6 million new hectares have been designated as sustainable areas through local initiatives, including the maintenance of moorlands in the sierras, supported by international credit sources such as the CAF, EU, AFD, and Amazonian Andes Fund.

Regarding the role of subnational governments in multilateralism, Ms. Pabón highlighted the creation of an advisory group for UN Secretary-General Antonio Guterres, consisting of 15 subnational representatives from around the world working together to prepare for the Pact for the Future by integrating climate justice dimensions.

She also noted that Regions4 has advanced the recognition of subnational governments as integral parts of the state, capable of making public policy, moving beyond the perception of them as NGOs.

Scotland | Insights from supporting Loss and Damage initiatives

Ms. Matilda Burns, Sub-National Leadership and Engagement Team Leader for International Climate Change in the Scottish Government highlighted Scotland's efforts to mobilize finance for resilience and addressed the broader implications of non-economic loss and damage (L&D). She underscored Scotland's climate justice principles and approach, and its acknowledgement of the severe impacts on vulnerable groups and the moral imperative to act. Non-economic L&D includes the loss of cultural heritage, biodiversity, indigenous knowledge, and mental health. At COP27, Scotland played a significant role in the establishment of the Global L&D Fund and initiated the Communities First pilot programme in East Africa, South Asia, and the Pacific.

Ms. Burns discussed the crucial role of regional governments in supporting communities, emphasizing the need for assistance from national governments. She also highlighted the necessity for extensive research on non-economic L&D. Key lessons from Scotland's L&D program include the importance of rapid and easy funding as grants to reach communities and the significance of participatory interventions, especially for marginalized groups and women, young people and Indigenous communities. Additionally, while measuring the impact of interventions is crucial, reporting should not be challenging and inflexible. Scotland remains committed to amplifying messages on this critical issue, ensuring continuous focus and action.

Rio de Janeiro | The critical role of regions in enabling municipalities to localize the 2030 Agenda

Ms. Ana Asti, Undersecretary of State for Water Resources and Sustainability for the Government of Rio de Janeiro, outlined initiatives and challenges related to integrating the 2030 Agenda and Sustainable Development Goals (SDGs) at the subnational level in Rio de Janeiro. Concerns were raised at COP26 about the delay in resources reaching subnational levels from multilateral development banks. In response to urgent extreme events, Rio de Janeiro has utilized its own financial resources, including the Environment Fund and its oil royalties, the Mata Atlântica Fund and its environmental fines and the Water Resources Funds managed by the Hydrologic Basin Committee.

Recognizing the lack of alignment with the 2030 Agenda at the subnational level, the government created a state commission to address this gap. Efforts have begun to incorporate the SDGs into all state departments as well as in the state budget, ensuring that each investment aligns with specific SDGs. Additionally, collaboration with UN-Habitat has been established to implement the 2030 Agenda in Rio's territories, focusing on the local impacts of climate change. A report is being developed to document these processes and incentivize municipalities to align with the 2030 Agenda for access to resources.

This project highlights municipal best practices through an Award and an Observatory on SDGs in Rio de Janeiro and benefitted nine municipalities which are actively integrating SDGs. This initiative aims to engage stakeholders from academia, the private sector, and other areas in developing local action plans for resilience against extreme weather events. Overall, Rio de Janeiro's efforts aim to align local actions with global sustainability goals, enhancing coordination between national, regional, and international levels.

Québec | International Cooperation - the role of Subnational Governments

Mr. Jean Lemire, Special Envoy for Climate Change for the Government of Quebec, outlined Quebec's approach to climate finance. Quebec has developed innovative financial mechanisms, including a carbon market with emissions caps aimed at reducing greenhouse gas emissions. Québec is celebrating the tenth anniversary of linking its carbon market with California's, which led to the largest carbon market in North America and the first to be designed and operated by subnational states from different countries.

This carbon market has proven beneficial for Quebec, enhancing its economy by reinvesting revenues in combating climate change and electrifying Québec without solely relying on public funds. Since 2023 the Carbon market has generated over \$9.2 billion in revenue, creating a cycle where polluters indirectly help mitigate the impact of their emissions and providing essential financial support to the energy transition. The Quebec-California carbon market has garnered international interest, and Quebec co-chairs the Carbon Pricing in the Americas, sharing its insights into its successful implementation. Quebec prioritizes climate adaptation financing amid global calls to quintuple funding. Leveraging its carbon market, Quebec has allocated nearly \$100 million to diverse funds, including \$43 million for its International Climate Cooperation Program in Africa and the Caribbean. Quebec also supports multilateral funds such as the Adaptation Fund and is committed to dedicated funds for financing loss and damage.

Emphasizing the importance of inclusivity, Quebec advocates for diverse representation in decision-making processes concerning climate finance. In a nutshell, Quebec's approach underscores its leadership in sustainable finance and commitment to international collaboration in addressing climate change.

Basque Country | Financing Sustainable solutions versus cost of non-action

Mr. Adolfo Uriarte, Director of Natural Heritage and Climate Change, addressed the urgency and economic implications of climate action. Economic studies highlight the significant costs of inaction if global temperatures rise above 2 or 3 degrees Celsius. For Europe, exceeding 3 degrees could cost €175 billion annually (1,4% of European GDP), whereas staying below 2 degrees would halve the costs.

In the Basque Country where sea level is rising quite fast, detailed vulnerability analysis predicts a loss of 30-40% of beaches by 2050, necessitating investments estimated at €1.2 billion for coastal protection of cities and industries. The Basque country is currently evaluating the cost of inaction, to help prioritize investments and solutions to mitigate impacts. The Basque Country utilizes EU cohesion funds to implement climate solutions and has been recognized as a front-runner in Europe, securing additional funding. To access EU funds effectively, a strategic and regulatory framework is required, reducing reliance on national budgets.

Thanks to their climate change law and regulatory framework, the Basque Country plans to allocate 2.5% of its budget to climate action (around 370-400 million a year, including 10% for adaptation), however, there remains the need for more funds and collaborative efforts, as €40 million for adaptation alone is insufficient.

In summary, the Basque Country is taking a proactive stance on climate resilience, using economic analysis and strategic planning to guide future action and secure the necessary funding.

Paraná | Promoting Sustainable Development and Conservation of Protected Areas Through Fiscal Redistribution

Mr. Rafael Andreguetto, Director of Environmental Policies of the State Secretary for Sustainable Development and Director of Natural Heritage of the Instituto Água e Terra in Paraná, highlighted key aspects of environmental management and conservation efforts. Paraná faces significant challenges, with 30% of its territory designated as protected areas while being a major agricultural producer. The state pioneered Brazil's first environmental services payment program in 1991, supporting 896 protected areas totaling 2.7 million hectares, including sustainable and indigenous territories.

The Ecological ICMS, Paraná State's Environmental Tax Revenue Sharing Program, has allocated, 1.6 billion USD to municipalities since 1991 (570 million Brazilian Reais to 270 municipalities in Paraná last year alone), emphasizing financial support for conservation. Initiatives under the Ecological ICMS also address challenges such as mitigating excessive rainfall through conservation efforts. Despite existing resources sourced from federal taxes, ensuring funds reach local communities remains a challenge.

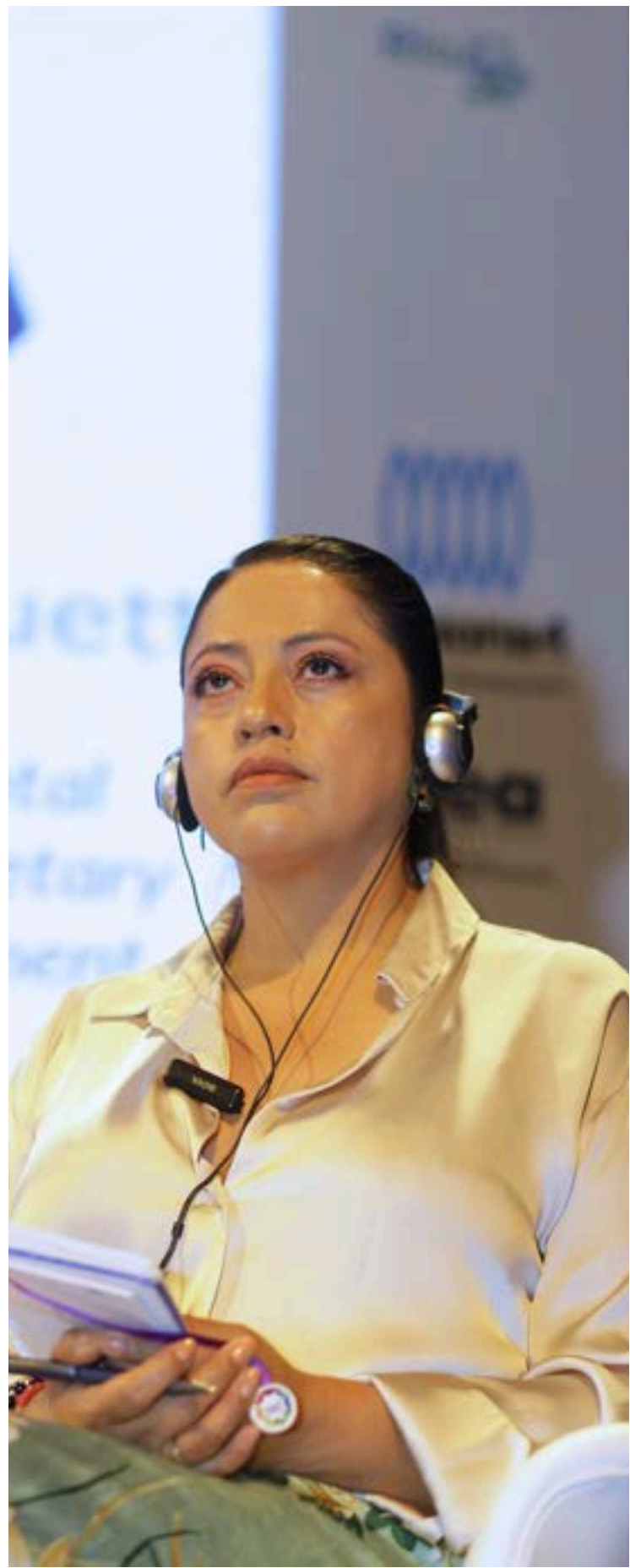
Enhancing nature-based solutions and effectively directing resources to local populations are ongoing priorities for maximizing environmental benefits in Paraná. Paraná's proactive approach to environmental management, using innovative funding mechanisms and local engagement, demonstrates a sustainable model for managing its natural resources.

Final Reflections

At the end of the session, Ms. Paola Pabón, Prefect of the Provincial Autonomous Government of Pichincha and President of the Consortium of Provincial Governments of Ecuador (CONGOPE), emphasized several key points. She highlighted the need to plan and regulate public policies effectively, incorporating mechanisms into budgets that facilitate necessary changes. Subnational financing mechanisms to generate own-source revenues, such as green taxes, was highlighted as an interesting means to incentivize sustainable practices and finance environmental initiatives.

Ms. Pabón also suggested that Regions4 establish an "experiences repository" of financing mechanisms to share successful approaches and encourage subnational governments to engage in climate challenges. She emphasized the importance of transforming repair funds into prevention funds to proactively address climate impacts. Furthermore, she highlighted the critical role of subnational governments in developing local solutions for climate change, stressing that a lack of resources hinders effective action.

Expressing concerns that national regulations sometimes hinder regional efforts, she cited issues like sovereign guarantees as potential obstacles. Ms. Pabón's reflections underscored the practical challenges and opportunities faced by subnational governments in tackling climate change, emphasizing the importance of supportive frameworks and adequate financial mechanisms.



Session 2 – Connecting Global Finance for Resilience to the Subnational Level

This session held a panel discussion with regional governments looking at how they are tapping into global, multilateral, national, or other finance mechanisms for resilience. It was followed by a panel discussion with donors and international organizations looking at their role in supporting regional governments in accessing finance for resilience.

The moderator, **Ms. Marie Ikemoto, Undersecretary for Climate Change and Biodiversity Conservation of Rio de Janeiro**, facilitated a discussion on their strategies to support subnational leadership, specific mechanisms and financial instruments, capacity-building and technical assistance for accessing international funds, challenges and gaps, monitoring and evaluation, and the future of finance for climate and nature.

1st Panel: How regional governments are tapping into global, multilateral and national finance for resilience

Ms. Marie Ikemoto opened the panel highlighting that financing is crucial for subnational governments, emphasizing the importance of implementing practical actions in collaboration with municipalities. She pointed out several bottlenecks related to financing at the subnational level, including a significant lack of knowledge on how to access available resources. This session aimed to address these financing issues, providing insights and solutions to overcome the challenges faced by subnational governments.

CONGOPE | Challenges and progress: The case of the Amazon platform

Ms. Karla Reátegui, Prefect of Zamora Chinchipe, CONGOPE Ecuador emphasized the high biodiversity of her province, known as the origin of cocoa.

Ecuador is ranked as the 9th most biodiverse country in the world. In this regard, the prefectures have joined a public initiative to protect territories through the Amazonian Platform, covering 4.2 million hectares of forest and sequestering 600 million tons of CO₂, with a goal of conserving 6 million hectares of forests in the Amazon.

The mechanism for this initiative is rooted in the public policies of the prefectures, which are responsible for both protection and production. This dual responsibility means that sustainable production must be guaranteed. In 2023, they aim to achieve deforestation-free certification for the production of cocoa and coffee, ensuring that cultivation does not lead to forest loss.

In 2013, a clean production ordinance was enacted to promote clean production territories. This commitment includes permanent reforestation and the use of organic crops, which also ensures employment for the population. Ms. Reátegui also mentioned the Governors' Forum, where three prefects are seeking new allies and resources to support these initiatives.



Gauteng | Accessing climate finance: perspectives from South Africa

Mr. Loyiso Mkwana, Director at the Government of Gauteng highlighted the opportunities in Gauteng, emphasizing the importance of strategic partnerships, such as the collaboration with the GIZ for technical know-how on accessing climate finance. In 2022, the Gauteng overarching strategy was developed. The region also has a national institute with two strategies focused on mitigation and adaptation. They collaborate on projects related to green infrastructure and more.

In South Africa, 60% of climate finance comes from the private sector, with only 40% from the public sector. Mr. Mkwana pointed out that 5-7% of regional budgets are currently spent on climate, underscoring the need to increase this figure. He stressed the importance of integrating climate considerations into various sectors, such as education, by installing renewable energy facilities.

In his view, it is crucial to look at other state budgets and work with governors to ensure that investments in education and other areas consider their connection to climate change. He also mentioned working with the Under2 Coalition on climate change corridors, noting the inclusion of these corridors in cities' spatial development plans.

In Gauteng, one of the adaptation strategies will focus on agriculture, specifically using crops that are more resilient to extreme weather. This initiative is also in collaboration with the Under2 Coalition, serving as a great example of preventative measures in climate adaptation.

Campeche | Innovative mechanisms to finance biodiversity

Ms. Angelica Lara, Minister of the Environment, Biodiversity, Climate Change and Energy, Government of Campeche discussed the challenges and opportunities in Campeche regarding the assessment of national and international finance. She noted that, as the Ministry of Environment, they often have the lowest budget and emphasized the need for transversality from the planning stage to effectively join efforts across all areas.

She highlighted the importance of integrating productive programs from various sectors and working together to address environmental concerns. To achieve this, funds and instruments are needed to facilitate receiving resources from international agencies. Strengthening the capacities of employees within institutions and municipalities is also crucial, as government terms are short and continuity in training is essential to maintain progress. She stressed the necessity of not only providing resources but also following up on projects, working with communities, and ensuring long-term support. She mentioned the positive relationship with BIOFIN in financial mechanisms and agreements for resource management, including the analysis of public policies to secure funds for the environmental budget focused on biodiversity.

Additionally, Angelica highlighted the collaboration with Comunidades Prósperas, a regional project aimed at conserving and strengthening landscapes through the entire value chain. She also mentioned the BALAMBE biological corridor, Mexico's largest protected area to date, which aims to connect two large reserves to achieve species connectivity, particularly for the jaguar and other endangered species.

In conclusion, she emphasized the need to achieve more sustainable development models and increase the percentage of conservation in Campeche.

Lombardy | Green Budgeting: A Blueprint for Climate and Resilience

Mr. Gian Luca Gurrieri, Manager for Climate, Emissions and Physical Agents, Government of Lombardy emphasized the duty to utilize all possible resources for climate action. He discussed their work on a regional development program that analyzes subsidies and incentives, highlighting the need to reorient these subsidies to ensure sustainability. The goal is to converge all economic resources effectively, utilizing projects from the EU and Green Budgeting.

Another key project being developed, financed by the Climate Group, focuses on informing the regions about climate-related initiatives and opportunities.

He advised other regions to participate in EU finance programs and other initiatives. He mentioned that several initiatives have been recently financed, including regional development programs from Europe and leasing companies.

He highlighted two key initiatives: The first initiative focuses on building sustainability into regional development. This involves integrating climate objectives and implementing depaving projects to allow water to penetrate the soil, emphasizing the need for new architecture and engineering solutions to address the climate crisis. The second initiative centres around hydrogen investments, with 500 million Euros secured from various financial branches. This investment aims to develop "Hydrogen valleys" near train and industrial areas, promoting the use of hydrogen as a clean energy source.

These initiatives illustrate the region's commitment to sustainable development and innovative solutions to tackle the climate crisis.



Guest expert

2nd Panel of Guest Experts: Supporting Regional Governments: International Organizations' Role in Finance for Resilience

Subnational Green Climate Fund

Ms. Katarzyna Dziamara-Rzucidlo, Human Settlements and Infrastructure Senior Specialist, Green Climate Fund emphasized the need to establish the root causes of adaptation and climate hazards for effective adaptation strategies.

Regions need to conduct economic and financial analyses related to Loss and Damage (L&D) to develop effective projects. The GCF addresses these challenges by leveraging its capacity to handle development problems. The Fund can finance any project as long as it is proposed by an accredited entity to the GCF. By 2025, the GCF aims to allocate 50% of its finance to adaptation projects.

The GCF is advancing technical assistance called "Readiness," which provides valuable insights on structuring projects. Additionally, the GCF publishes various documents, including "sector guides" for main sectors and annexes with more technical explanations on adaptation solutions. These resources are available on the GCF website and offer guidance on preparing climate projects focused on mitigation and adaptation, explaining how to structure bankable projects for climate hazard mitigation.

Strengthening biodiversity finance at the subnational level

Ms. Ana Allen, Subnational Finance Coordinator, UNDP BIOFIN Mexico shared her leading efforts focused on identifying finance sources through a specialized methodology. This methodology is adapted for each state to analyze public policies, state biodiversity strategies, trends of change, and disruptors related to biodiversity loss, while identifying opportunities for development.

The primary goal is to enhance spending efficiency, identify new resources, and redirect expenses effectively. Additionally, BIOFIN conducts analyses of financial instruments to optimize resource allocation and evaluates current investments in biodiversity. Assessments also estimate medium-term costs of actions aimed at halting biodiversity deterioration.

A critical aspect of this work involves challenging the government structure to assess actions and their value for biodiversity in both the short and long terms. Entire departments within BIOFIN are dedicated to biodiversity, demonstrating a strong institutional commitment. A significant achievement includes the identification of 68 financing mechanisms, with each state undergoing a thorough analysis to determine the most effective, efficient, and viable options.

A comprehensive financing solutions plan is developed based on these analyses, identifying the most effective options. Efforts also include capacity strengthening for fund and trust management nationwide. Currently, BIOFIN is actively collaborating with 13 of the 32 states in Mexico, exemplifying a broad national impact.

Significant achievements include the strengthening of Mexico's National Fund, which saw improved efficiency in spending and the establishment of a green office dedicated to sustainability. In Guanajuato, one identified solution involves enhancing the state's environmental fund. This initiative introduced new investment mechanisms, resulting in a yearly increase of 3 million pesos. Furthermore, an endowment fund supports capacity-building and facilitates access to external funding for Mexican foundations.

Ms. Allen's leadership underscores BIOFIN's commitment to sustainability and biodiversity conservation, positioning the organization as a pivotal partner in Mexico's environmental finance landscape.

Opportunities with the banking sector

Ms. Weselina Angelow, Scale2Save Programme Director, World Saving and Retail Banking Institute (WSBI) shared the WSBI efforts focused on supporting smallholder farmers and women. In recent years, the frequency and intensity of climatic events have significantly increased, posing heightened risks to agricultural sustainability and livelihoods. In response, Savings Banks under WSBI's guidance are actively engaged in initiatives aimed at bolstering the resilience of farmers. This includes providing crucial information and training on effective crop management practices to mitigate the impacts of climate change.

The World Bank has identified a substantial 1.7 trillion gap that affects women entrepreneurs. WSBI addresses this challenge through a multifaceted approach. Firstly, by prioritizing the development of entrepreneurial skills among farmers notably women and fostering their capacity to adapt to changing environmental conditions. Secondly, by forging strategic partnerships with governmental agencies, international organizations, and local communities to pool resources and expertise. These partnerships are crucial in leveraging collective efforts to bridge the financial gap and promote sustainable agricultural practices.

State & Regions project pipeline

Ms. Maria Clara Nascimento, Cities, States and Regions Lead, CDP Latin America shared the CDP work in overseeing initiatives on environmental and climate data collection, making CDP the largest global platform in this field, spanning governments, businesses, and banks with a comprehensive perspective. A decade ago, financial institutions showed minimal engagement in governmental actions. Today, businesses and banks are eager to support and collaborate with governments, reflecting a significant shift in interest.

CDP has played a pivotal role in bridging these sectors by leveraging funds and enhancing technical capacities in cities, facilitating subsequent investments. Moreover, The ICLEI Transformation Action Programme has garnered participation from numerous organizations. However, the financing required for Subnational Governments (SNGs) to meet the Paris Agreement goals exceeds \$5 trillion annually. Banks acknowledge having funds but are cautious about availability, while governments face challenges in accessing these resources. This gap presents a critical opportunity for the private sector to contribute.

Initiatives like ICLEI assess projects submitted to the CDP platform, linking early-stage efforts with Project Preparation Facilities and promoting visibility for more advanced projects through dialogues.

On their part, the Association of Agricultural Supply Chains recognizes subnational governments as their primary partners and is actively fostering collaborations with the private sector. Despite progress, SNGs remain overwhelmed by the scale of the challenge.

Ms. Marie Ikemoto concluded that while significant progress has been made, a substantial gap persists in funding environmental and climate initiatives. Rio de Janeiro, for example, has successfully leveraged \$30 million, but this amount is insufficient compared to the \$5 trillion global deficit needed to meet governments' legal obligations.

Moving forward, it is imperative to develop innovative solutions that effectively mobilize funds and are closely integrated into broader development strategies. These solutions should prioritize collaboration between governments, businesses, and financial institutions to ensure sustainable and impactful investments. Addressing this financial challenge comprehensively will be crucial in achieving meaningful progress towards global environmental and climate goals.



ABOUT THIS BRIEF FOR ACTION

This brief for action is part of a series aiming to inform Regions4 members on key results and recommendations based on Regions4 research and Community of Practice sessions.

- The **Regions4 Biodiversity Learning Platform (R4BLP)** fosters knowledge exchange for sustainable biodiversity use and conservation, supporting global advocacy efforts.
- **RegionsAdapt** is Regions4 climate initiative gathering more than 75 regional governments. It mobilizes ambition and action on climate adaptation by facilitating access to the latest innovations, tools, and best practices at the regional level. RegionsAdapt Community of Practice offers a space for regional governments to present their expertise and to learn from each other, discuss and engage, in a series of learning sessions on focused topics on adaptation, so as to help them gain capacity and improve their own policies and activities on adaptation.
- **Regions4SDGs Community of Practice** aims to accelerate the implementation of the 2030 Agenda, strengthen territorial approaches, as well as integrate regional processes to achieve global goals. This platform offers a collaborative experience, catalyzing synergies among regions worldwide, and fostering policy coordination, collective implementation, monitoring, and follow-up.

For more information on the initiative, please visit: <https://regions4.org/our-work/what-we-do/>

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