Only 13 of the 195 signatory countries to the Paris Agreement submitted new national plans for tackling climate change by the recent deadline. Meanwhile President Trump has begun the process of the U.S. withdrawing from that agreement — again. This US withdrawal from global leadership is a perfect time to refocus attention and support at the subnational level. Whereas some U.S. <u>cities are struggling to navigate Trump 2.0</u>, states and provinces run by governors can more easily fill the void.

I asked some of my UCLA colleagues to think through the ramifications. Mary Nichols is Distinguished Counsel at the UCLA Emmett Institute and formerly chair of California Air Resources Board. Jason Gray is Project Director of the Governors' Climate and Forests Task Force (GCF Task Force) and previously served as chief of California's Cap and-Trade Program at the California Air Resources Board.

## O: Given the obvious diplomacy difficulties at the international level, how are subnational states and provinces thinking about climate progress in 2025 and beyond?

**Jason Gray:**Regardless of who is in office at the national level, states and provinces have an obligation to address the needs and concerns of their residents. They must take climate action - especially in light of the increasingly devastating impacts of wildfires, floods, drought, and other climate-related impacts. And, they are also best situated to act guickly, even in the absence of national action or in the face of antagonistic national policies.

Mary Nichols: It's not just Trump either. Bad as his statements and actions on global climate action continue to be, national political leaders around the world are backing off or muting their climate commitments. In fact, the only major emitting country that is doubling down on climate action is China. Developing countries are falling prey to fears of losing investments in renewable energy projects and wealthier countries are worried that higher electricity and gasoline prices due in part to decarbonization policy will lead to citizen backlash. Political leaders don't feel the pressure to back up their ambitious net zero pledges with action, or they are distracted by other seemingly more immediate problems. Yet the effects of climate change — fires, floods, deadly heat waves among them—are only getting worse. State and local governments (called "subnational" by UN member countries) have to bear the brunt of the damage. Increasingly they are finding ways to use their authority to enact laws and regulations to cap and reduce the emissions that continue to push toward an irreversible tipping point. No wonder that philanthropic and business

leaders from many sectors outside the fossil fuel industry are turning to policy makers who have the ability to take timely and effective action.

**Gray:** Subnational governments think about climate progress in terms of the success or failure of their actions and the benefits and impacts to their people. For instance, states and provinces look to how can they test and implement policies and incentive programs to prepare for climate impacts (think the fires in Los Angeles or the massive floods, fires, and drought in the Amazon); how can they reduce greenhouse gas emissions going forward (think large-scale forest protection efforts in the Amazon or community-led forestry initiatives in Indonesia); and how they can increase partnerships and attract investments on the ground. At the Governors' Climate and Forests Task Force, we focus on the state and provincial level because Governors and their teams are often the level of government with direct authority over land-use decisions and with closer ties to what is going on in communities. They are more directly accountable to the people for taking actions. As I wrote in a post on Legal Planet back in January, sates and provinces "have demonstrated that they will continue to take action - both as leaders, but also because they must."

## Q: The GCF Task Force and other entities have been focused this past year on building momentum for a 'New Forest Economy'. What do subnational members need most when it comes to financing?

**Gray:** That's right, our efforts over the last several years have been to work with our member governments to highlight shovel-ready investment opportunities that will build more sustainable, new forest economies in their territories. Across the board, our member governments tell us they need access to a broader array of investors to scale these opportunities and help communities, companies, and their people develop the economic potential of their territories in a more sustainable way. Our members have developed investment plans, forest protection policies, and other initiatives and they are open—urgently I may add — for partnerships and investment now. We released a Blueprint in October 2024 for what this could look like, which we will be building on throughout the year toward COP30 in Brazil. In fact, we have an important event this coming May in Acre, Brazil, to bring together our governors, Indigenous and local community leaders, and partners to dig deeper into how to expand and deepen direct investment into their jurisdiction-scale forest protection programs. We'll continue to work to foster partnerships with multilateral development banks and domestic agricultural credit systems, payment for ecosystem services programs, philanthropy, foreign assistance

programs in countries like Norway and the UK, venture capital, and other private sector actors.

## Q: What is this new international dynamic with Trump's return going to mean for COP30 in Belem?

**Nichols:** The Secretary General of the UN has announced plans to give sub-nationals a more prominent role than ever before at the 2025 COP in Brazil. Highlighting their successes and opportunities to build their economies with renewable fuels and nature-based solutions gives hope and shows a path forward. The member states of the GCF have been collaborating and honing their strategic vision for years and are ready to grasp the microphone and make their case on the world stage. As home to the GCF Secretariat, UCLA Law's Emmett Institute will be helping them with legal and policy research and adding California expertise to attract major investors

## Q: The destructive, likely illegal, freezing of USAID funding has hurt lots of international NGOs, how have you seen it affect forest-oriented partners?

**Gray:** We have seen direct impacts to a number of initiatives that were underway or planned in nearly every country where GCF Task Force member jurisdictions are located. This includes suspension of funding for a multi-year effort to develop a co-management plan for millions of hectares of tropical forests in Ecuador between provincial governments and Indigenous nations; closing of programs designed to increase technical capacity and market access for sustainably produced cacao and other non-timber forest products; reduced staffing for critical forest protection activities in the Amazon; and a pause by other funders who are caught up in the uncertainty of how their programs can try to fill in gaps. From a climate and global security perspective, the shuttering of USAID's funding leaves us with a less secure and less certain future. On a more personal scale, each of these abrupt changes means that we have friends and colleagues, people who work every day to improve critical natural infrastructure and who have leveraged USAID support to bolster local economic development in their countries, forced to find new jobs. It is heartening to see the recent Supreme Court <u>decision</u> ordering the federal administration to pay contractors for work already completed, but so much unnecessary damage has already been done.