

**UNDER2 COALITION FUTURE FUND
GRANT AGREEMENT**

BETWEEN

**THE CLIMATE CHANGE ORGANISATION LIMITED
T/A THE CLIMATE GROUP**

AND

**THE SECRETARIAT OF WELFARE, SUSTAINABILITY AND CLIMATE
CHANGE OF THE STATE OF TABASCO**

GRANT NUMBER: UC/FF/2019/005

**PROJECT: DEVELOPMENT OF ECONOMIC INSTRUMENTS AND
CARBON PRICING TO ACHIEVE CLIMATE CHANGE MITIGATION
OBJECTIVES IN TABASCO**

JUNE 2019

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This Grant Agreement (“Agreement”) dated June 21, 2019 is between The Climate Change Organisation Limited, trading as The Climate Group (“TCG”) and the Secretariat of Welfare, Sustainability and Climate Change of the State of Tabasco (the “Organisation”) hereinafter collectively referred to as the “Participants”.

1. Background and Common Objectives

- (a) The Climate Group (TCG) is an independent, not-for-profit organization working internationally with government and business leaders to advance smart policies, technologies and finance needed to cut global emissions and unlock a clean industrial revolution. TCG inspires leaders by communicating a compelling narrative for change; equipping them by delivering evidence of success; and working in partnership with them in driving transformative change. Together with the partners, TCG continues to build a successful low carbon future of opportunity that boosts economies, creates jobs, enhances energy security, improves the quality of life of communities around the world, and averts the crippling impacts of runaway climate change.
- (b) The Secretariat of Welfare, Sustainability and Climate Change of the State of Tabasco (the “Organisation”) is the institution in charge of implement and coordinate the policies, plans, programs and actions that promotes the welfare and sustainable environment and climate change mitigation and adaptation measures on the state of Tabasco.
- (c) The Participants recognize that climate change is a defining challenge of our generation and that it will require leadership to address that challenge. Likewise, the Participants acknowledge that climate policies at the subnational level are vital to achieve the climate change objectives set out in the Paris Agreement of COP21.
- (d) The Participants acknowledge that knowledge exchange and enhanced engagement of subnational governments is paramount to the drive towards ambitious net-zero emissions targets by 2050 and a prerequisite of being a member of the Under2 Coalition. To achieve this, the Under2 Coalition Future Fund was established to increase emerging and developing regions’ participation in and collaboration with The Climate Group’s Under2 Coalition. Through capacity-building, production of knowledge materials, emission inventory support, and knowledge-sharing webinars, the application of the Future Fund is beneficial to the work of the organization as well as the wider members of the Coalition in demonstrating subnational leadership to combat climate change.

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- (e) Given their respective programs of work, TCG and the Organisation have entered into this Agreement to lay out the framework of cooperation and understanding that will facilitate collaboration between the Participants to further their shared objectives towards the development of economic instruments and carbon pricing to achieve climate change mitigation objectives in the states of Sonora and Tabasco before COP25 in Santiago in December 2019.
- (f) The nature, mission, purpose and areas of collaboration as well as the participation conditions, are described in the present Agreement.

2. Nature and Mission

- (a) The Organisation and TCG collaboration aims to gauge interest among key government partners by promoting the Future Fund initiative through e-discussions, roundtable meetings and other high-profile events.
- (b) The *Development of economic instruments and carbon pricing to achieve climate change mitigation objectives* project, principally funded by the Under2 Coalition governments of Quebec, Scotland, Wales and Baden-Wuerttemberg, is a TCG program aiming to develop a legal and economic framework that will analyse best practice in order to strengthen economic instruments capacity, carbon pricing at state level and accelerate climate action. The objective of the project is to develop a roadmap of an economic and legal system which will focus on economic and development sectors within the States and provide a learning base for other Mexican states in the future. The Organization and TCG collaboration set forth in this Agreement aims to incorporate mitigation strategies and to showcase the policy framework towards 2050 to the wider coalition, consequently allowing for review at international level to enable the state governments to improve future activities to reduce greenhouse gas emissions and avoid dangerous climate change.

3. Purpose of Collaboration

- (a) The Organisation will collaborate with TCG in furthering the principle objectives of the project, which are the following:

Objective 1: To develop a framework for a legal and economic system and carbon tax in the State of Tabasco which will focus on the economic and development sectors within the State.

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Objective 2: To carry out an analysis of best practices and a subsequent roadmap to strengthen the capacities in terms of economic instruments and carbon pricing at state level. This roadmap will include milestones and a specific calendar to establish a carbon tax within a state jurisdiction and incorporate international experiences of carbon taxes.

Objective 3: To provide a learning base for other Mexican States and foster peer-learning on the development and implementation of a carbon tax in the future. This process will be carried out over seminars and workshops led by international experts and aimed at local universities, state administration agencies, municipalities and citizens.

4. Scope of collaboration

The Organisation will:

- (a) Become a Beneficiary of TCG's Under2 Coalition Future Fund;
- (b) Collaborate in the lead-up to the *Development of economic instruments and carbon pricing* project;
- (c) At the end of the project, provide to the Future Fund with a letter of gratitude and a short video message, for the contributing governments, demonstrating the progress and results made, as well as the necessity of funding for the project's implementation, including examples;
- (d) Facilitate a webinar for interested Under2 Coalition peers on the *Development of economic instruments and carbon pricing* project on TCG's online platform, along with assistance in finalizing the webinar subject, selection of discussion questions, recommendations and help to secure guest contributors;
- (e) Provide access to and share technical information, as appropriate, to facilitate TCG's Under2 Coalition Future Fund and development of case studies on transformative solutions and subnational government state action plan adoption for possible inclusion in the project completion report and at www.TheClimateGroup.org;
- (f) Credit and acknowledge The Climate Group and the Under2 Coalition Future Fund in all publications arising as a result of the project and use the name and logo of TCG in approved publications or reports relating to the project;
- (g) Collaborate and help transmit invitation letters to high-level officials from the Organisation to speak and present at TCG events focusing on the *Development of*

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economic instruments and a carbon tax project and results, including but not limited to, the Under2 Coalition General Assembly at COP25 in December 2019;

- (h) Provide comment and quotes for external media activity and promote the project to high-level government and business leaders through online channels as appropriate; and
- (i) Complete and submit a final project report to the Under2 Coalition Future Fund along with a financial summary as prescribed.

TCG will:

- (a) Facilitate the Future Fund contribution to the organization by collaborating with the Prefecture locally and other state and regional governments across the world with whom TCG has existing partnerships through its global network;
- (b) Facilitate collaboration for the webinar on TCG's Under2 Coalition Future Fund online platform including disseminating invitations to the webinar if need be; and
- (c) Showcase the organization's project results and outcomes and share success stories as appropriate – including web content, high-profile events, publications and a flagship project completion report.

5. Financial Aspects and Implementation Arrangements

Grant/Fund number: UC/FF/2019/005

Dated: June 21, 2019

- (a) TCG and the Organisation.
- (b) TCG, through the Under2 Coalition Future Fund, grants the Organisation up to USD 25,000 and the costing details of the Grant are more specifically outlined in Schedule 1 - Project Expenditure Budget. The Organisation, by signing this Agreement, has read and agreed to the terms in Schedule 1 in relation to valid expenditure and this Schedule is in Excel Format and attached separately.

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- (c) As per Schedule 2, Bank Details should be provided. This Grant will be paid in the following instalments:
- (i) \$12,500 within fifteen (15) days of execution of this Agreement including all parts of Schedule 1 duly completed and signed; and
 - (ii) Up to \$12,500 fifteen (15) days after acceptance of the final report as per clause 5 h) below and as outlined within the Payment Schedule.
- (d) The Grant may only be used for the following charitable, scientific purposes: to develop economic instruments and carbon pricing to achieve climate change mitigation objectives in Tabasco described in Clause 3.
- (e) The Organisation will return to TCG any portion of the Grant, and interest earned on the Grant, not expended, or committed for the project by the Organisation by December 1, 2019.
- (f) The Organisation shall provide TCG with a Final Evaluation Report that is due no later than three (3) weeks after the completion of the project; this shall include a full actual expenditure report to support the Grant claim being made.
- (g) The Organisation shall also provide TCG with an Interim Report that is due to TCG on or before October 1, 2019.
- (h) The reports shall be prepared according to the reporting guidelines as outlined in the Report Schedule.
- (i) The Organisation agrees to maintain adequate financial and programmatic records. All receipts and expenditures shall be submitted to TCG with the Final Evaluation Report via email to the Focal Points outlined in clause 7. Such expenditures shall only be reimbursed on the condition that they are submitted in accordance with this clause. Colour-scanned copies of the original tax receipts for all expenditure should be provided to support expenditure claims for any costs over \$50.00.
- (j) Records of receipts and expenditures under the Grant, as well as copies of reports submitted to TCG, should be kept for at least six (6) years following completion of the Grant period.
- (k) The Organisation hereby represents and warrants that Grant funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules and executive orders. In this regard, the Organisation agrees that it is not, does not

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employ or is associated with, and is not owned, controlled by, or acting for or on behalf, and that it will take all reasonable steps to ensure that no person or entity expected to receive funds in connection with this Grant is (1) a “suspected terrorist”; or (2) a person with whom TCG is prohibited from doing business with under any anti-terrorism laws of the United Kingdom.

- (l) The Organisation acknowledges that none of the activities financed by this Grant violate UK Laws that prohibit corrupt payments to foreign officials for the purpose of obtaining or keeping business and that TCG has not authorised any activity that would constitute such payments.
- (m) TCG reserves the right, in its sole discretion, to discontinue funding this Grant, if it is not satisfied with the expenditure of the Grant funds by the Organisation or the content of any written report required herein. TCG reserves the right to discontinue, modify, or withhold any payments due under this Grant, or to modify the terms of this Agreement, to comply with any laws or regulation applicable to this Grant or to protect and maintain TCG’s charitable status.
- (n) The activities confirmed under this Agreement and carried out by the Organisation will not require additional contribution to what is prescribed above or other financial support from TCG.
- (o) Each Participant will be responsible for its own costs arising as a result of its undertakings in relation to actual activities, subject, however, to the terms of other agreements that have been entered, or could be entered into, between the Participants.

Payment Schedule

Milestone		
Percentage	50%	Up to 50%
At Contract signing	\$12,500	
Publication of SAPCC and submission of final report, with valid supporting costs, up to a further		\$12,500
Total Amount (USD \$)	\$25,000	\$25,000

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Report Schedule

One Interim Report and one Final Evaluation Report shall be submitted The Organisation to TCG on or before the following dates, all reports must be submitted electronically and include the Grant Number:

- a. October 1, 2019 (Interim Report)
- b. December 1, 2019 (Final Evaluation Report).

These reports shall include details:

- Draft or final copy of the project results.
- Details of technical information
- Acknowledge the Future Fund contributors
- Results and report of the outcomes of the research, finds and results of the project
- Results and report of the outcomes of the capacity-building workshops
- Details of technical information, and knowledge shared with Under2 Coalition peer-members
- Final Report should include the final cost reporting template and will be a similar format to Schedule 1 – Project Expenditure Budget.

6. Nature of the Agreement

- (a) Nothing in this Agreement should be construed as creating a joint venture, an agency relationship, or a legal partnership between the Participants. This Agreement does not and is not intended to commit either Participant to the potential or actual commitment of funds.
- (b) Personnel of either Participant working on any activity contemplated by this Agreement shall be and remain employees of the Participant that they represent.

7. Focal Points of the Participants

- (a) Communications in relation to this Agreement will be made by email, fax and/or letter to the Focal Points of the Participants as follows:

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For The Climate Group:

Mary-Claire Harvey
Under2 Coalition Project Coordinator
The Climate Group
Second Floor, Riverside Building, County
Hall, Belvedere Road, London SE1 7PB
+44 (0)207 960 2990
mcharvey@theclimategroup.org

For the Secretariat of Welfare, Sustainability and Climate Change of the State of Tabasco:

Mario Rafael Llgero Latournerie
Secretario de Bienestar, Sustentabilidad y
Cambio Climático del Estado de Tabasco
Av. Paseo de la Sierra No. 425
Colonia Reforma, C.P. 86080
Villahermosa, Tabasco, México
+01(993)3103700
direccionservicioslegalesbscc@hotmail.com

As needed, the Participants will notify each other in writing of any update in the names of their Focal Point. Any non-Contract or non-finance-related queries (e.g. project deliverables, content and communications etc.) should be related to mcharvey@theclimategroup.org.

8. Non-Exclusivity

- (a) Nothing in this Agreement will restrict any Participant from entering into similar arrangements with third parties covering the same or similar subject matter areas or activities; provided further that any engagement by TCG with a third party or parties will not conflict or otherwise unduly interfere with the implementation of this Agreement or any activities or projects undertaken pursuant thereto.

9. Intellectual Property

- (a) Intellectual Property Rights include all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and Know-How however arising for their full term and any renewals and extensions.

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- (b) This Agreement does not transfer the Intellectual Property Rights between the Participants for intellectual property belonging to or created by each of the Participants. Each Participant will retain its Intellectual Property Rights in all pre-existing materials and those developed and produced by the relevant Participant (including by its, its staff, consultants, and vendors) individually, and independent of this Agreement.

10. Data Protection

- (a) The Participants shall comply with all notification requirements, and all of their obligations, under the General Data Protection Regulation (EU) 2016/679 (“GDPR”), and any applicable national laws, regulations, and/or secondary legislation to the GDPR or the UK Data Protection Act 2018 (“Data Protection Legislation”) which arise in connection with this Agreement.
- (b) The Participants shall ensure that all personnel who have access to personal data are obliged to keep such personal data confidential.

11. Names and Logos

- (a) In accordance with their respective regulations and rules, each Participant reserves the right to approve the use of their names or logos. Each Participant’s name or logos will not be used without the written consent of the relevant Participant.
- (b) The Participants acknowledge that their respective names, logos, and any variation thereof, are the sole and exclusive properties of their owner. Any and all uses by one Participant of the other Participant’s name are to inure solely to the benefit of the other Participant. No Participant may acquire any right, title or interest in the other Participant’s name or logos, or any variation thereof, under this Agreement.
- (c) In no event will authorisation of the organization’s name, logo, or any abbreviation thereof, be granted for commercial purposes.

12. Disclosure and Publicity

- (a) The Participants may acknowledge and disclose to the public this Agreement and information with respect to the collaborative activities contemplated herein.

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- (b) At public events, media conferences or meetings of any kind, representatives of the Participants may speak about the collaboration related to this Agreement, but strictly not on behalf of the other Participant without prior authorization.

13. Conflict of Interest

- (a) The Organisation's collaboration with TCG on activities under this Agreement is not intended to confer a special advantage or preference to TCG or any of its members in competing with any other entity as regards the procurement of goods, works or services by the organization or third parties, where such procurement results from or has a direct relationship to activities under this Agreement.

14. Effectiveness, Modification, Discontinuation

- (a) This Agreement will become effective upon signature by all Participants and will thereupon be effective for a period of six (6) months.
- (b) This Agreement may be modified or discontinued at any time by mutual written determination of the Participants. Further, any Participant may discontinue this Agreement, at its sole discretion, by providing thirty (30) days' prior notice in writing to the other Participant.

15. Dispute Resolution

- (a) In case of a dispute, controversy, or claim arising between the Participants out of or in relation to this Agreement, the Participants will attempt to reach an amicable resolution through consultations in good faith.
- (b) Should the complaint or dispute remain unresolved within fourteen (14) days of notification of the matter, either of the Participants may refer the matter to the CEO of TCG or a senior member of the Organisation.

16. Entire Agreement

- (a) This Agreement, together with any documents referred to in it, constitutes the entire agreement between the Participants and supersedes and extinguishes all previous

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agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to the project.

(b)

17. Third Party Rights

- (a) Except where expressly provided, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

18. Governing Law and Jurisdiction

- (a) This Agreement, and any dispute arising out of or in connection with it, or its subject matter or formation (including non-contractual disputes or claims) shall be governed and construed in accordance with the laws of England and Wales.
- (b) The Participants irrevocably agree that the courts of England and Wales shall have jurisdiction to settle any dispute or claim arising out of, or in connection with this Agreement or its subject matter or formation.


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19. Signature

- (a) The foregoing represents the understanding reached between the Participants on the matters referred to in this Agreement.
- (b) **SIGNED** in two copies in English language

FOR THE CLIMATE GROUP

**FOR THE SECRETARIAT OF WELFARE,
SUSTAINABILITY, AND CLIMATE
CHANGE OF THE STATE OF TABASCO**

[Signature] 

[Signature] 

[Print Name] Jim Aspin

[Print Name] Mario Rafael Llergo Latoumerie

[Function] DIRECTOR

[Function] Secretariat of Welfare, Sustainability,
and Climate Change of the State of Tabasco

[Date] 16th July 2019

[Date] July 4th, 2019

Company Seal/Stamp



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19. Signature

(a) The foregoing represents the understanding reached between the Participants on the matters referred to in this Agreement.

(b) **SIGNED** in two copies in English language

FOR THE CLIMATE GROUP

**FOR THE SECRETARIAT OF WELFARE,
SUSTAINABILITY, AND CLIMATE
CHANGE OF THE STATE OF TABASCO**

[Signature] _____

[Signature]  _____

[Print Name] _____

[Print Name] Mario Rafael Llergo Latournerie

[Function] _____

[Function] Secretariat of Welfare, Sustainability,
and Climate Change of the State of Tabasco

[Date] _____

[Date] July 4th, 2019

Company Seal/Stamp



Schedule 1 - Project Expenditure Budget

- (a) The Project Expenditure Budget should be completed using the separately provided Excel File, which should be completed by June 28, 2019 and will form part of the approval process.
- (b) The Terms & Conditions for valid expenditure and Grant Payments are included.
- (c) These Terms & Conditions consists of three tabs and all should be printed, signed, stamped, scanned and returned, with this Grant Agreement, to complete the process.
 - Tab1 Schedule 1 – Cover – Fill in and Sign (one page)
 - Tab2 Schedule1 - Terms & Conditions – Read and Accept by signing Tab 1 (one page)
 - Tab3 Schedule 1 – Budget – Detailed expenditure analysis to support the Grant. (minimum 2 pages)

Separately provided Excel Schedule 1: Project Expenditure Budget

Schedule 2 – Organisations Bank Details

The Organisation’s bank details should be provided on an official letter, headed with the official stamp, date and directors name and signature, to enable the payment to be set up.

This information should be typed and scanned in colour and then emailed to finance@theclimategroup.org from an official email address. This email should CC: jfrangou@theclimategroup.org and the named lead contact from the Organisation. As a minimum, it should include:

Addressed to:

Mr Jack Frangou
International Finance Director
The Climate Group
Second Floor, Riverside Building,
County Hall, Belvedere Road,
London SE1 7PB,
United Kingdom

Provide your bank details:

Grantee Organization Name	Secretaria de Bienestar, Sustentabilidad y Cambio Climático del Estado de Tabasco
Banks Name	[REDACTED]
Banks Address	Avenida Pagés Llergo s/n col. Nueva Villahermosa, Tabasco, México C.P. 86070
Bank Account Name	Secretaria de Finanzas del Gobierno del Estado de Tabasco
Account Number (CLABE)	[REDACTED]
SWIFT	[REDACTED]
IBAN	[REDACTED]

Eliminamos 4 líneas que contienen datos que identifican la información relativa a la Cedula de Identidad, Nacionalidad, RFC, Y DATOS PERSONALES DE TERCERAS PERSONAS, con fundamento legal: artículos 124 y 128 de la Ley de Transparencia y Acceso a la Información Pública del Estado de Tabasco y el numeral Quincuagésimo noveno de los Lineamientos Generales en Materia de Clasificación y Desclasificación de la Información, así como para la Elaboración de Versiones Públicas quedando asentada el acta número SBSCC/CT/123/2019 mediante ACUERDO - CT/105/2019 de fecha 13 de diciembre del año 2019