



CITIES CLIMATE FINANCE LEADERSHIP ALLIANCE

**Launch of the
2021 State of
Cities Climate
Finance Report**

30 June 2021

An aerial photograph of a modern building with a green roof and a curved walkway, overlaid with a green tint. The building features a large, curved, light-colored walkway or ramp that curves around a central area. The roof is covered in green vegetation, and there are several trees and shrubs around the building. The overall scene is a mix of urban architecture and greenery.

Welcoming Remarks

Dr. Barbara Buchner, Global Managing Director, CPI (Alliance Secretariat)

Sameh Wahba, Global Director of Urban, Disaster Risk Management, Resilience and Land Global Practice, World Bank

Dr. Jürgen Zattler, General Director for International Development Policy, Agenda 2030 and Climate, Federal Ministry for Economic Cooperation and Development (BMZ), Germany




The State of Cities Climate Finance Report 2021

PART 1: The Landscape of Urban Climate Finance

- Dr. Angela Falconer, Director, Climate Policy Initiative

PART 2: The Enabling Conditions for Urban Climate Finance

- Sandrine Boukerche, Climate Change Specialist, World Bank
- David Mason, Urban Development Specialist, World Bank

An aerial photograph of a lush green park with winding paths, trees, and people walking. The image is overlaid with a semi-transparent green filter.

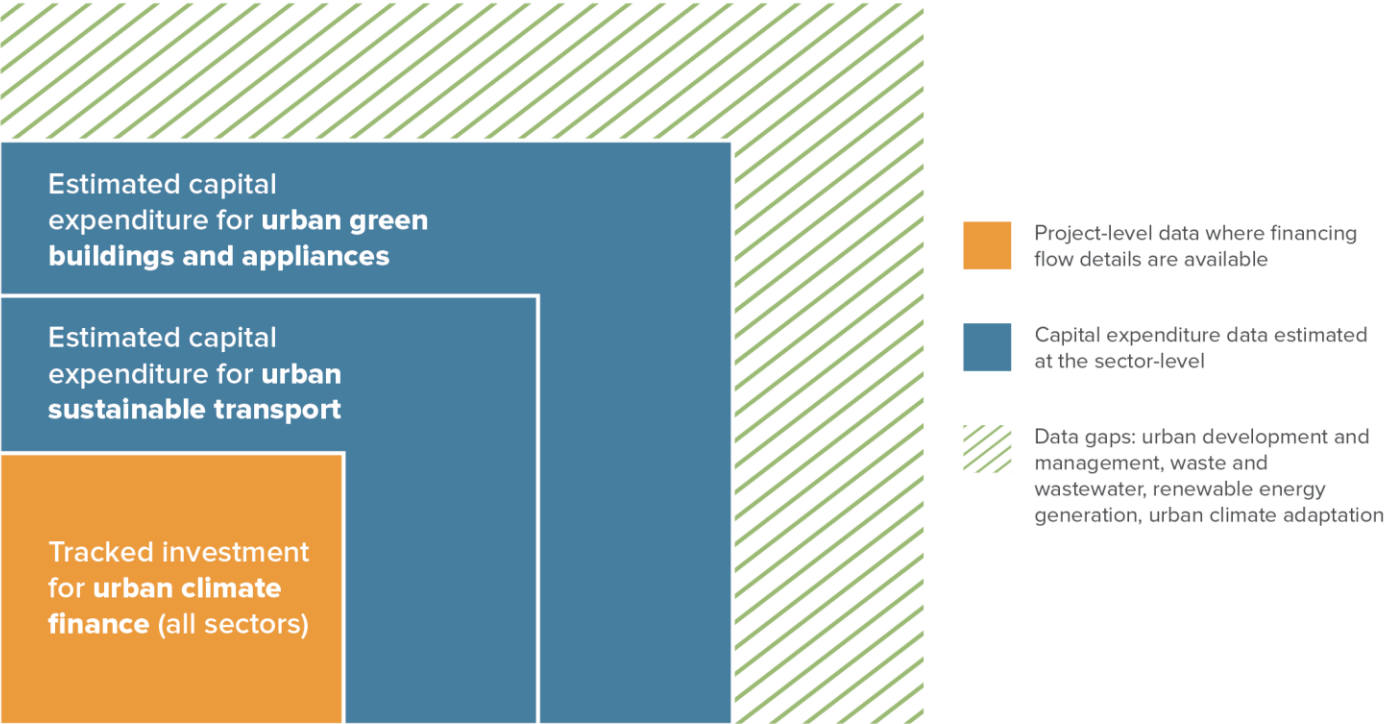
The Landscape of Urban Climate Finance (Part 1)

Authored by the Cities Climate Finance Leadership Alliance Secretariat (Climate Policy Initiative) in partnership with the Atlantic Council's Adrienne Arsht-Rockefeller Foundation Resilience Center, Part 1 presents for the first time a comprehensive estimate of global urban climate finance.

The Landscape was developed by tracking all sources of climate finance flows to urban areas and estimating urban climate investments in the buildings and transport sectors. Part 1 also presents some of the Alliance's activities to address barriers to investment.

The Landscape of Urban Climate Finance combines tracked and estimated data to produce a first comprehensive estimate

Urban climate finance refers to resources directed to activities limiting city-induced GHG emissions or aiming to address climate-related risks faced by cities, contributing to resilience and low carbon development.



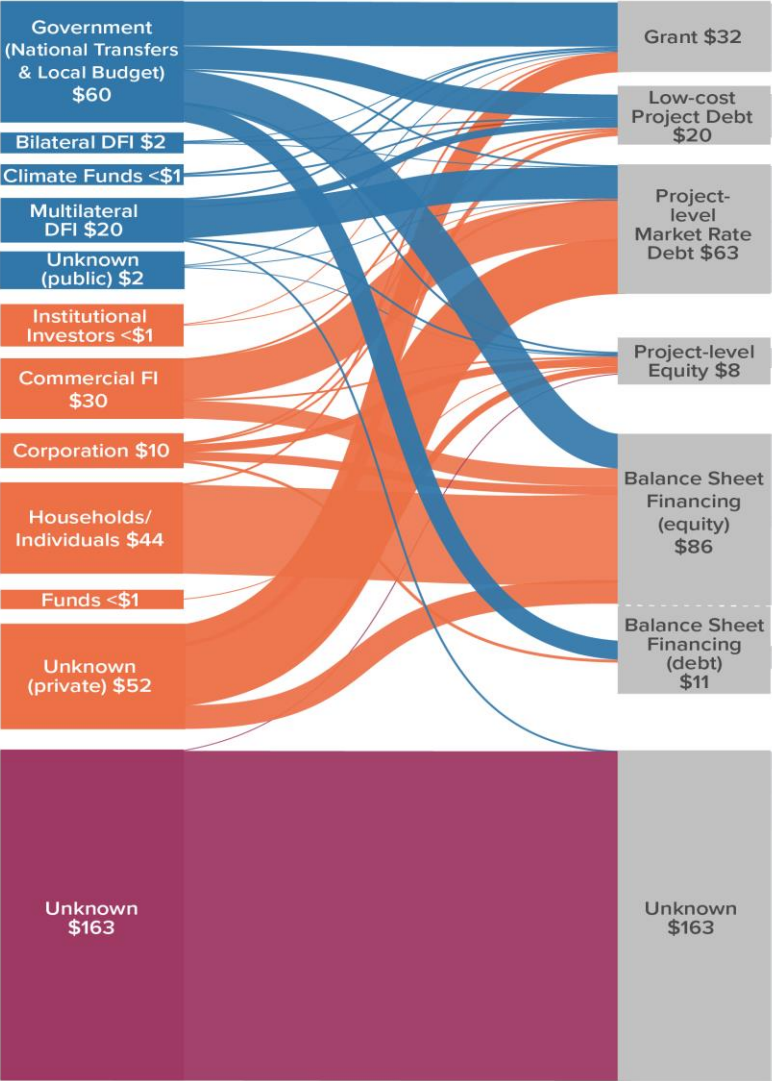
LANDSCAPE OF URBAN CLIMATE FINANCE 2017/18

384 BN USD
ANNUAL
AVERAGE



SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for urban climate finance?



INSTRUMENTS

What mix of financial instruments are used?

REGIONS

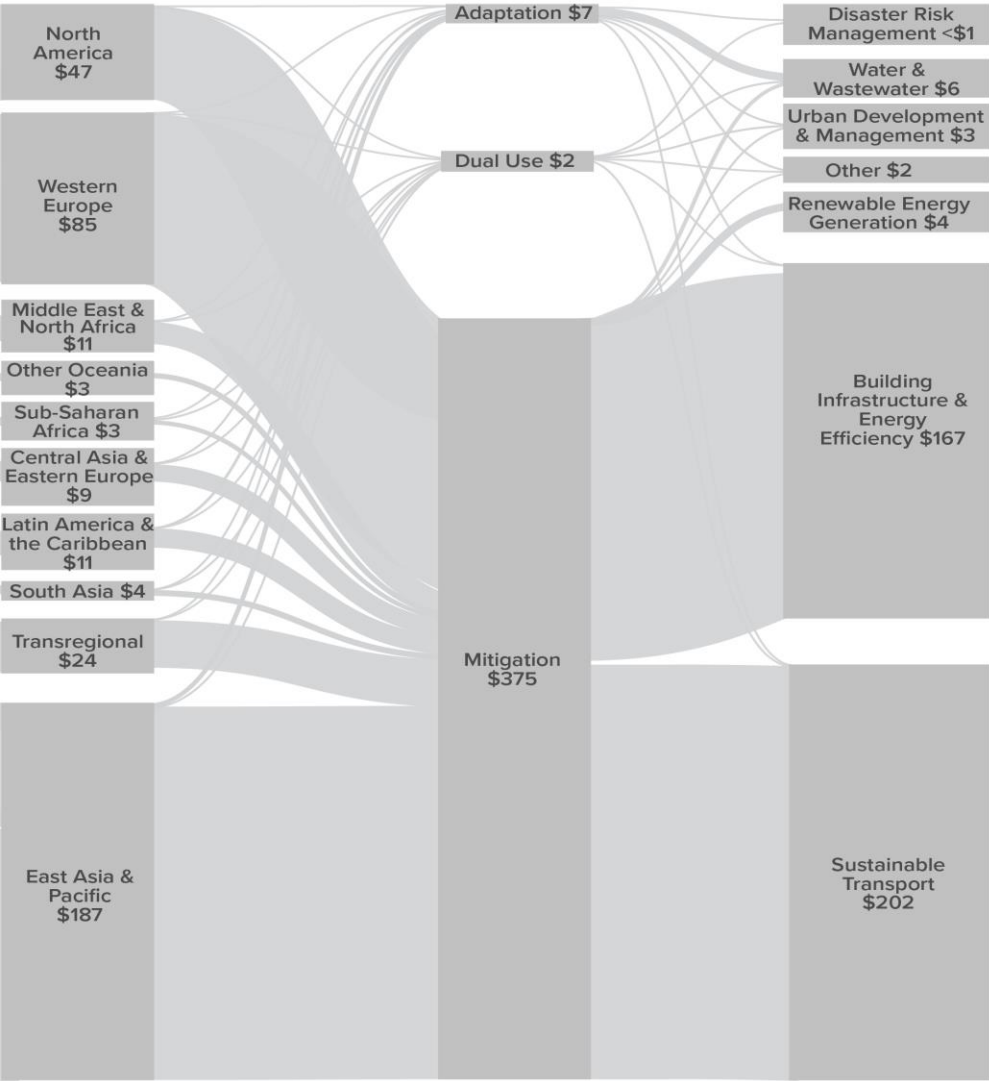
Where is finance flowing?

CLIMATE USES

What types of activities are financed?

SECTORS

What is the finance used for?



Note: USD 384 bn total is derived from both project-level data tracked in a top-down capital expenditure approach to estimate investment in buildings and transport only. Capital expenditure figures are estimates of investments related to infrastructure installed in 2017 and 2018 while project level data provides more accurate and detailed information on actual investment commitments at the time of financial close.

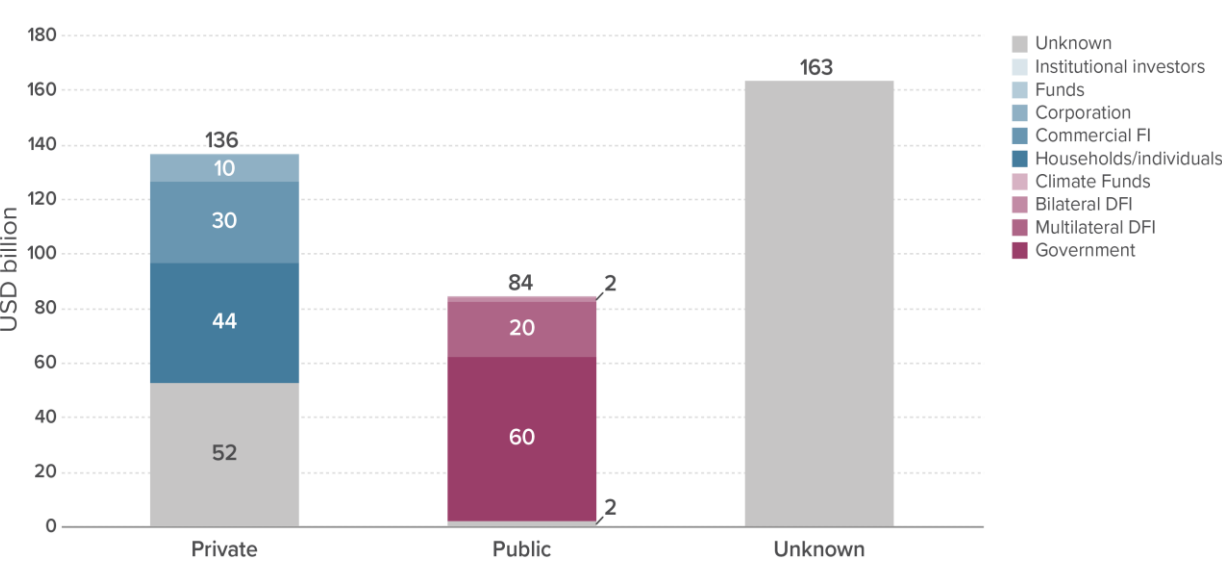
KEY

PUBLIC MONEY

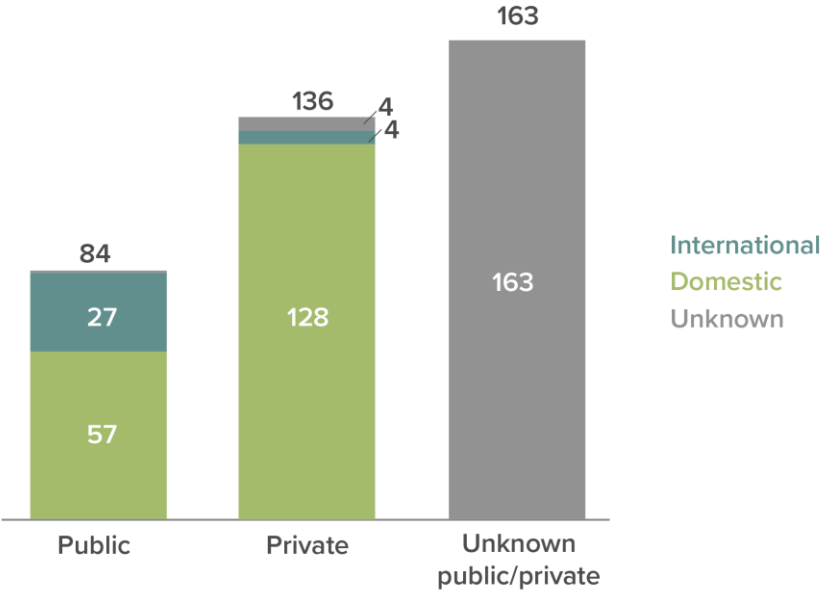
PRIVATE MONEY

UNKNOWN MONEY

Household and national government expenditures are the main sources of urban climate finance

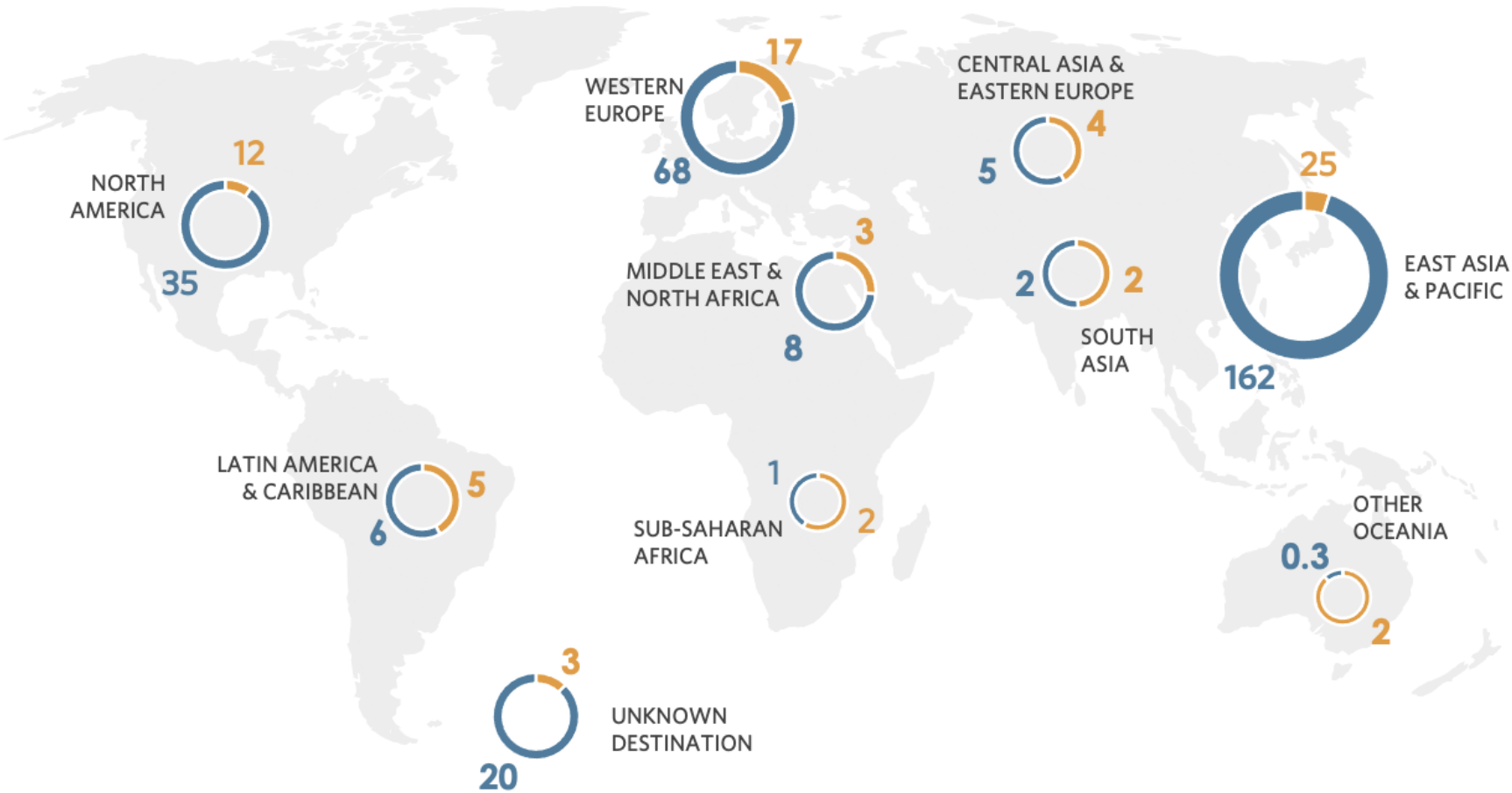


Urban climate flows by providers, annual average 2017-2018 (USD billion)



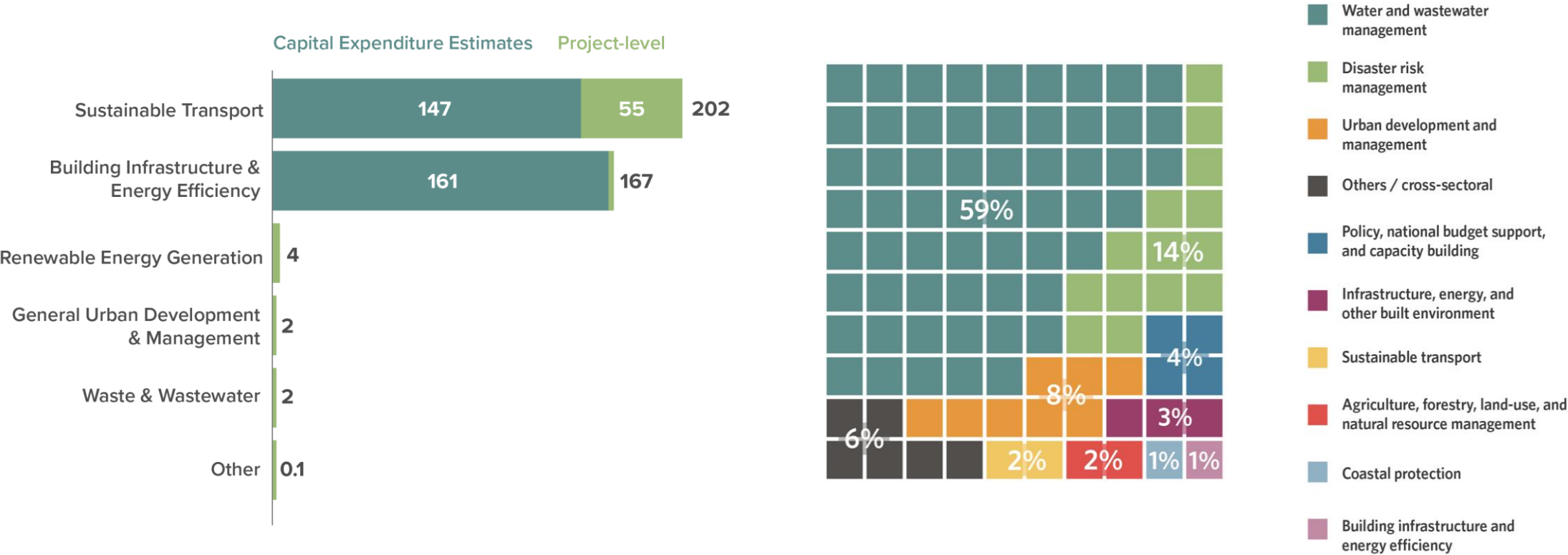
Urban climate finance flows by financing institution type, annual average 2017-2018 (USD billion)

South Asia and Sub-Saharan Africa are seeing vastly insufficient levels of investment



Project-level Data
Estimated Capital Expenditure

Just 9% of tracked finance went to adaptation and resilience



Urban mitigation and dual use finance, 2017-2018 (USD billion)

Urban adaptation finance, 2017-2018 (USD billion)

Enabling Conditions for Mobilizing Urban Climate Finance (Part 2)

Authored by the World Bank, Part 2 analyzes enabling frameworks and presents solutions to mobilize climate finance for low-carbon, climate-resilient urban development pathways.

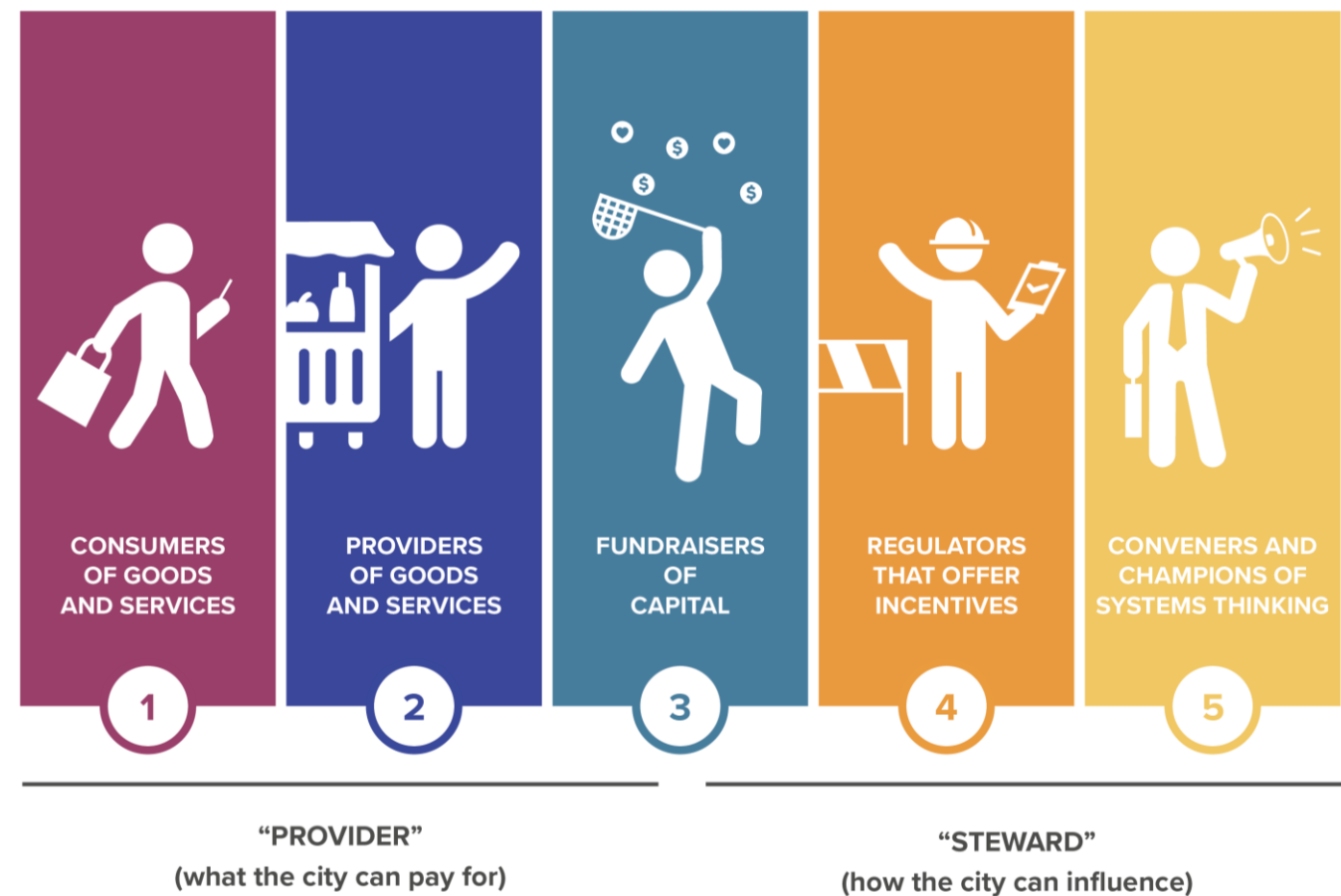
It seeks to provide a common understanding of the terminologies, knowledge, and themes used by climate policy and climate finance practitioners and that of city-level urban planning and municipal finance officials.



WORLD BANK GROUP

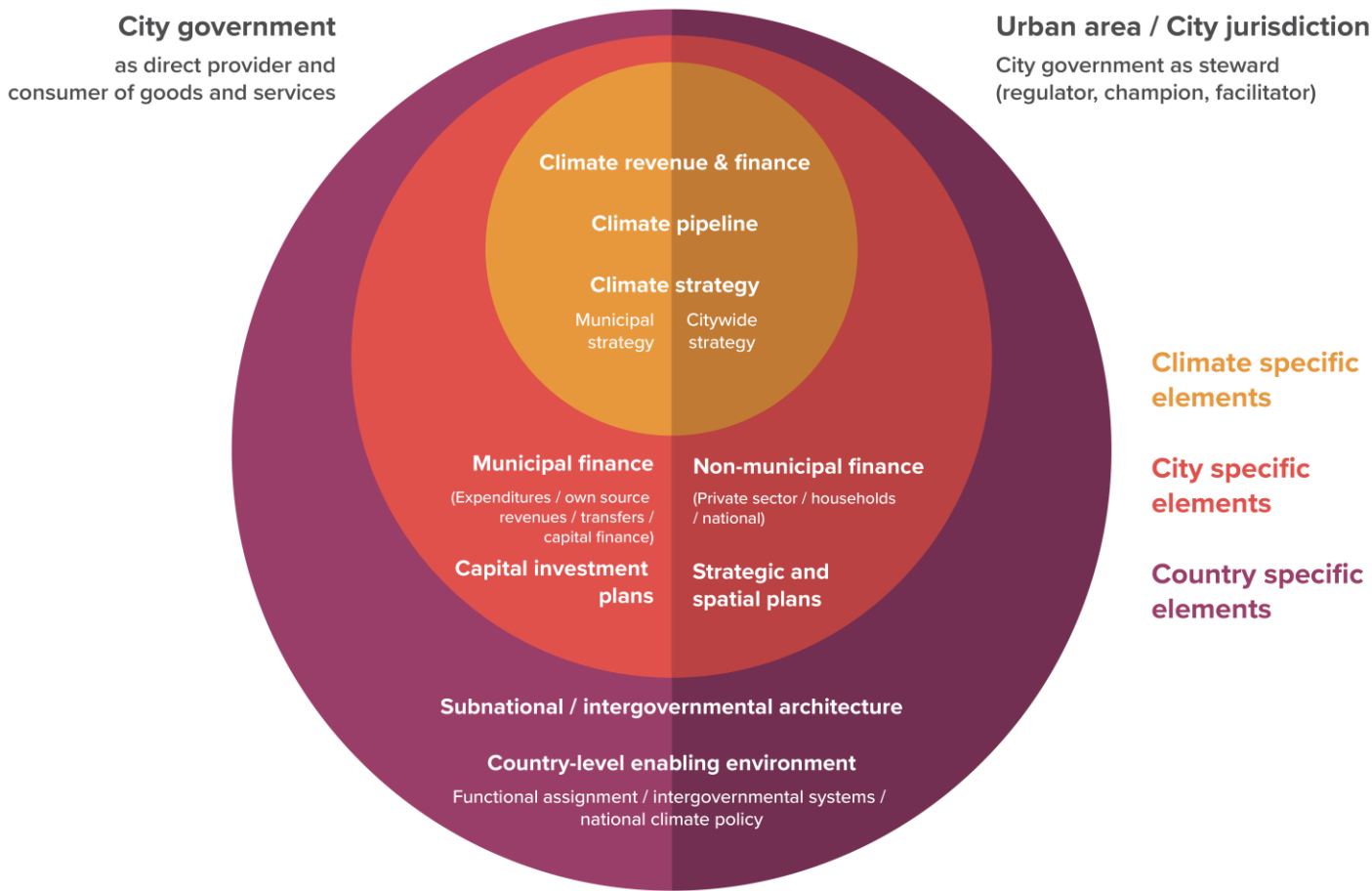
Cities as Enablers

Cities can mobilize investment to **reduce GHG emissions, enhance climate resilience** and **improve the quality of urban life** by leveraging their roles as;



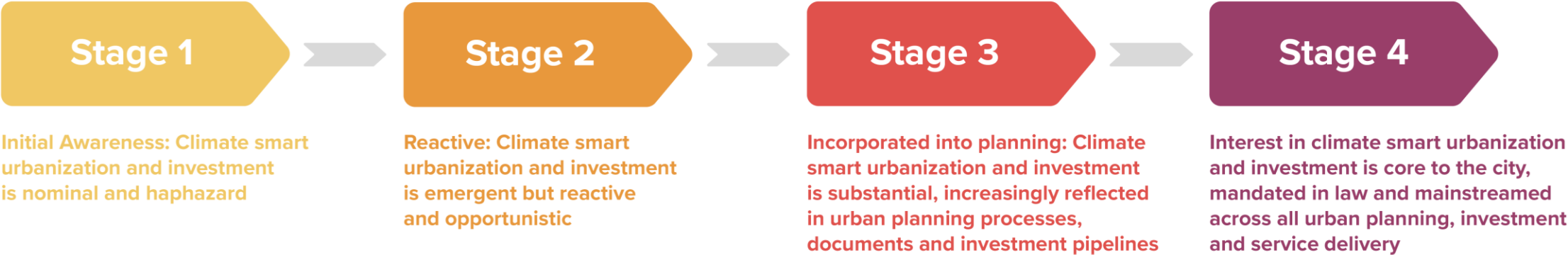
Enabling Conditions

play a crucial role in determining whether and where climate investment can be mobilized in urban areas, irrespective of the sources of financing.



Enabling Pathways

Will depend on the vertical and horizontal alignment and coordination of local and national government policies, intergovernmental systems and mandates. It would be possible for cities to leap-frog these phases.



Recommendations

MUNICIPAL

Leverage cities’ different roles as providers and stewards to mobilize investment

- Service provision
- Consumption
- Planning (strategic, spatial, CIP, budgetary)
- Regulation and standards
- Convening
- Fundraising

NATIONAL

Support national and city-level climate policy alignment both top down and bottom up

- NDCs alignment
- Intergovernmental and fiscal transfer systems
- Conditional green fiscal transfers
- Standards, regulations, and data
- Green stimulus recovery funds

INTERNATIONAL

Prioritize technical, advisory and lending support to improve cities’ ability to mobilize climate investment

- Strengthening fundamentals
- Integrated planning
- Intergovernmental convening
- Project preparation
- Access to finance

CROSS-CUTTING

Improve reporting and monitoring of urban climate finance spending and investment

- Foster greater exchange and collaboration between city stakeholders

CONCLUSION

“To achieve the goals of the Paris Agreement and the Sustainable Development Goals, cities need to take action but, most importantly, so do their partners.”

INCREASE THE GREEN SHARE



By aligning existing urban
finance systems and
intergovernmental
architectures at the local and
national level

INCREASE THE GREEN PIE



By mobilizing new
urban climate finance
at the city level

INCREASE THE GREEN IMPACT



By strengthening urban and
capital investment planning
systems with green regulations
and design standards





Panel Discussion

- **Kathy Baughman McLeod**, Senior Vice President and Director, Adrienne Arsht-Rockefeller Foundation Resilience Center of the Atlantic Council
- **Lin O'Grady**, Deputy Head, Sustainable Infrastructure Group, European Bank for Reconstruction and Development (EBRD)
- **Mauricio Rodas**, Visiting Fellow for Penn Institute For Urban Research (PennIUR) and former Mayor of Quito, Ecuador

Moderated by **Bella Tonkonogy**, Associate Director, Climate Policy Initiative

Thank You!

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