

A photograph of two women in a shop. The woman on the left is wearing a black hijab and a green shirt, smiling as she looks at a smartphone held by the woman on the right. The woman on the right is wearing a colorful patterned hijab and a yellow jacket, looking intently at the phone. The background shows shelves stocked with various goods, including jars and bags of snacks.

BANKING ON CHANGE

FINANCE FOR LOCAL CLIMATE ACTION

EXECUTIVE SUMMARY

13,558

CITIES IN GCOM, REPRESENTING 1.2 BILLION PEOPLE ACROSS 147 COUNTRIES

75%

OF GCOM CITIES AIM TO GO BEYOND THEIR NATIONAL CLIMATE TARGETS

7,963

CITIES HAVE COMPLETED EMISSION INVENTORIES (+18.5% FROM LAST YEAR)

€2.33 TRILLION

GAP ANNUALLY UNTIL 2030 FOR URBAN CLIMATE MITIGATION

€177-334 BILLION

GAP ANNUALLY FOR URBAN CLIMATE ADAPTATION

1,249

CITIES HAVE REPORTED ENERGY ACCESS AND POVERTY ACTION PLANS (+25% FROM LAST YEAR)

4.2 GtCO₂e

REDUCTION POTENTIAL FROM GCOM CITIES ANNUALLY BY 2050

16-22%

OF GLOBAL GDP BY 2100 ENDANGERED BY CLIMATE INACTION

€1

INVESTED IN RESILIENT INFRASTRUCTURE AVOIDS €4 OF DAMAGES



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A GROWING COMMITMENT

Our climate is changing even more rapidly than scientists had predicted. Yet the world's governments still subsidise fossil fuels to the tune of €2.4 trillion per year¹ while private banks last year supported polluting industries with €6.5 billion.² Cities across the world are committed to tackling climate change, but they need the funding and finance to succeed –as much as €4.08 trillion annually to reduce their greenhouse gas emissions enough to limit global warming to a 1.5°C increase.³ Such investments can unlock huge gains through green jobs, boosting the clean tech industry, and improving health outcomes, along with many more co-benefits.

Through the Global Covenant of Mayors for Climate and Energy (GCoM), 13,558 cities and local governments, representing 1.2 billion people across 147 countries, have committed to taking action against the causes and effects of climate change, as well as energy access and energy poverty.





ONE IN EVERY SEVEN PEOPLE ON EARTH IS PART OF A GCOM CITY

13,558

CITIES AND LOCAL GOVERNMENTS

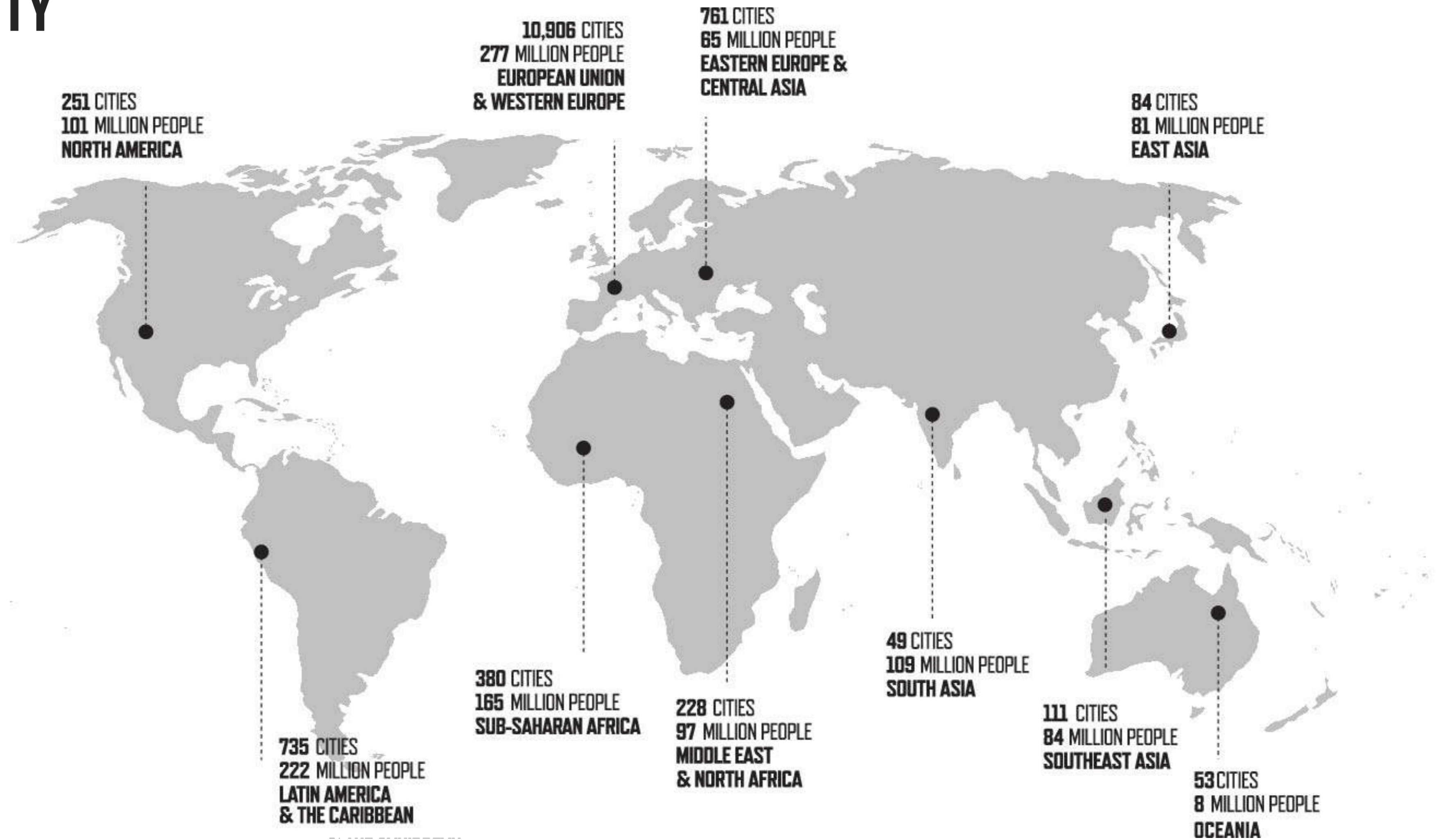
1.208

BILLION PEOPLE

147

COUNTRIES

EVERY DAY A NEW CITY JOINS GCOM



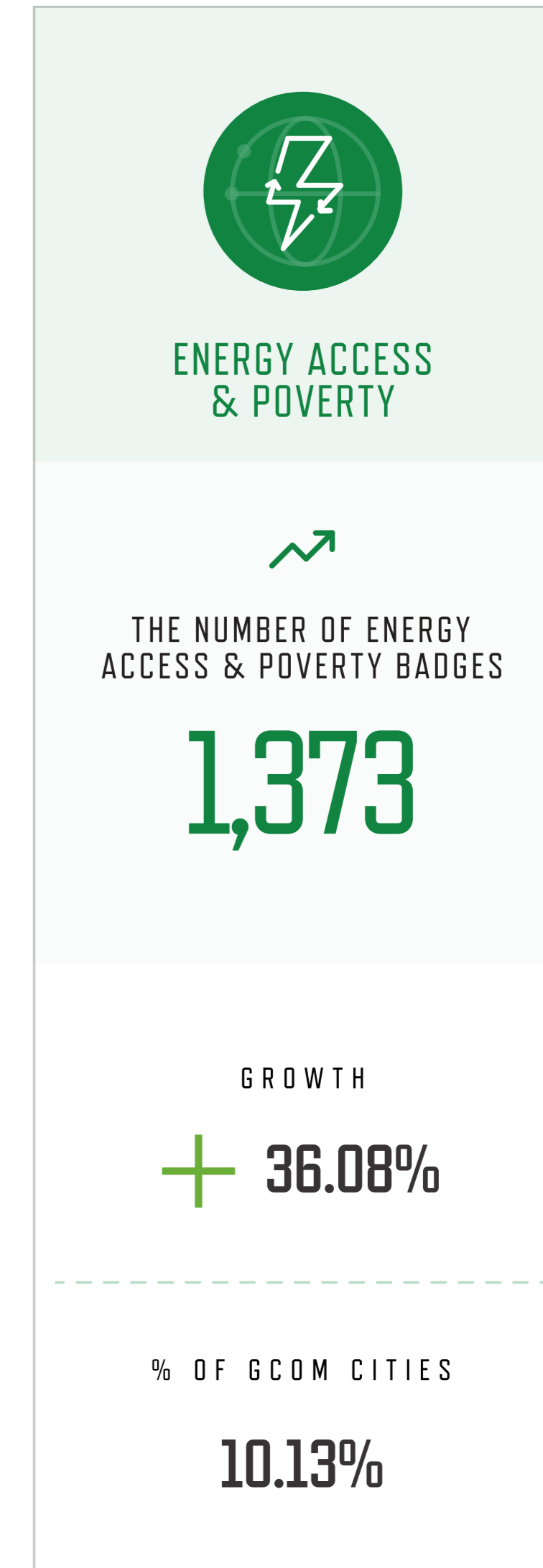
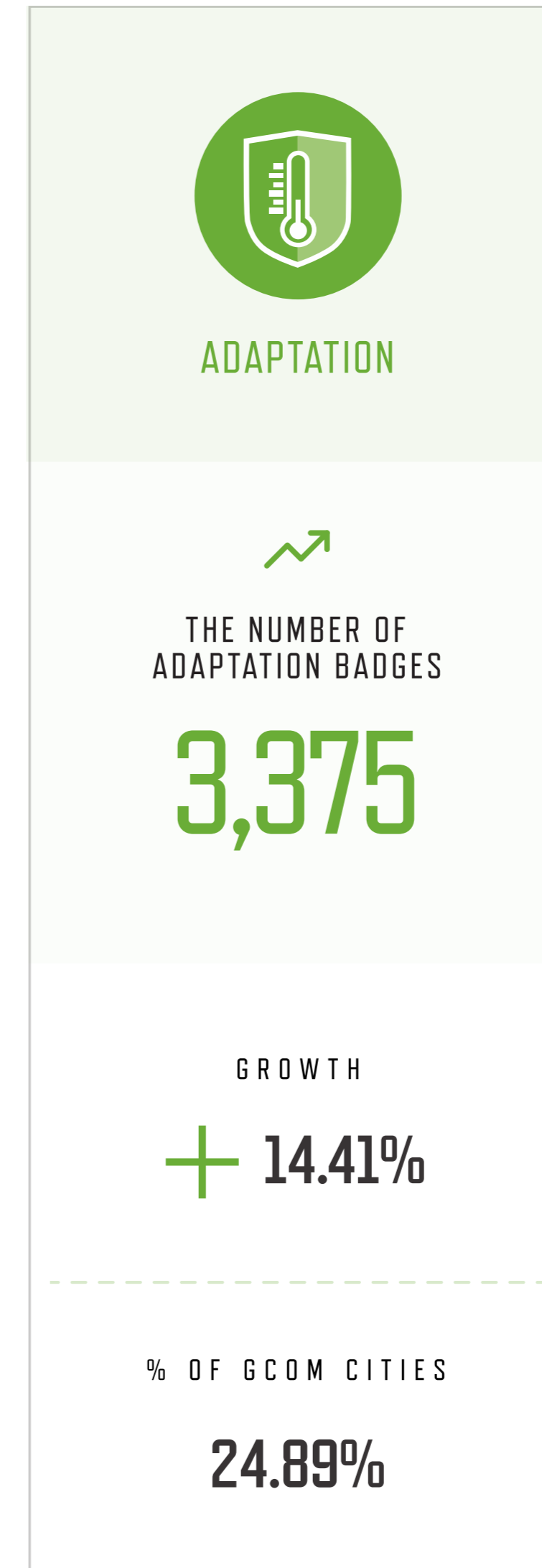
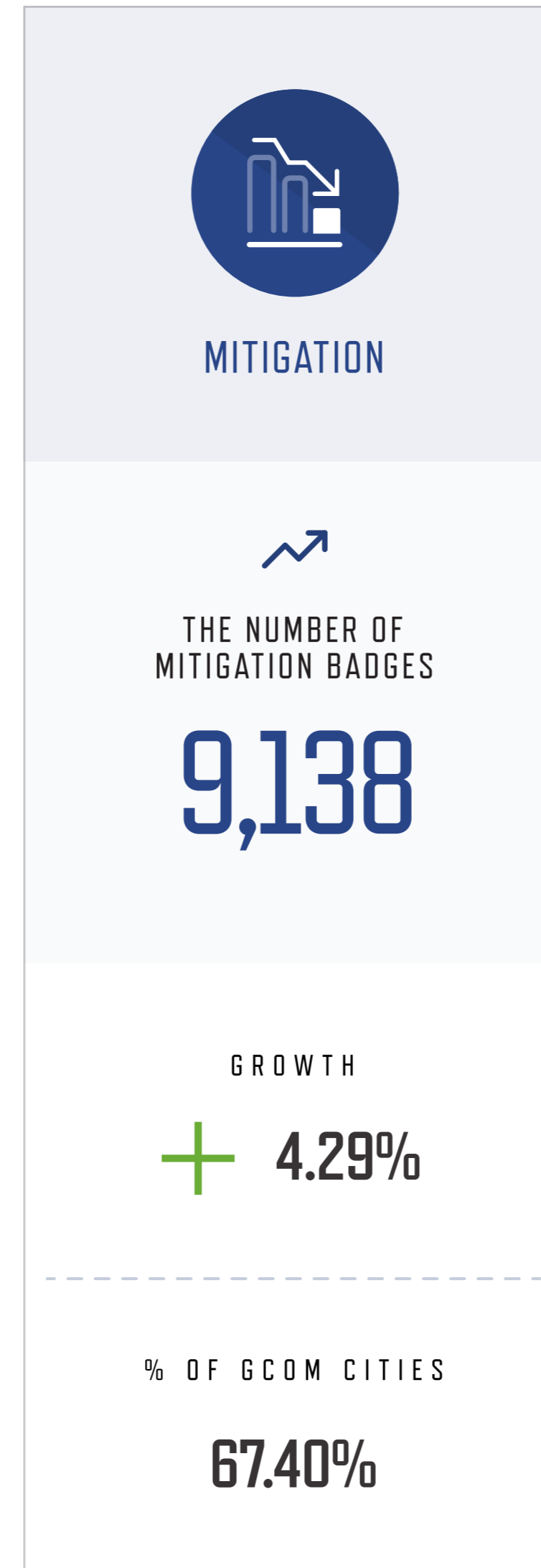
THE AVERAGE POPULATION SIZE OF GCOM CITIES VARIES SIGNIFICANTLY BY REGION RANGING FROM **25,000** FOR THE EUROPEAN UNION & WESTERN EUROPE TO OVER **2.2 MILLION** FOR SOUTH ASIA



CITIES' PROGRESS IN ADAPTATION AND ENERGY ACCESS & POVERTY IS CATCHING UP WITH THE HEADSTART OF MITIGATION EFFORTS

Three out of four of these cities have committed to going even further and faster than their national government, while the remaining quarter have set an ambition equal to that of the national level.⁴

GCoM signatories receive pillar badges for progress in their climate action planning journey, with each badge consisting of three steps: Completion of an assessment/inventory, setting of a target/goal, and development of a plan.





MITIGATION

THERE IS A €2.33 TRILLION GAP ANNUALLY FOR FUNDING MITIGATION ACTION

As of 2024, 7,963 GCoM signatory cities have completed an inventory of their greenhouse gas emissions, up by 18.5% since last year. Their ambition to mitigate these emissions is high, but finding the finance is a major hurdle to progress.




The finance gap for urban climate mitigation remains stark: €2.33 trillion is needed to bridge it annually between now and 2030 if the world is to limit global temperature rise to a 1.5°C increase.⁵



THE NUMBER OF MITIGATION BADGES

9,138

PREVIOUS IMPACT REPORT:
8,762 (+4.29%)


	INVENTORY	TARGET	PLAN
	 7,963 PREVIOUS IMPACT REPORT: 6,722	 8,946 PREVIOUS IMPACT REPORT: 8,570	 6,882 PREVIOUS IMPACT REPORT: 6,541
GROWTH	+ 18.46%	+ 4.39%	+ 5.21%






ADAPTATION

ADAPTATION IS TRAILING WAY BEHIND MITIGATION IN TERMS OF FUNDING AND SUPPORT

In terms of adaptation and resilience to the effects of climate change, where 2,005 signatories have put action plans in place, up 28% from last year, the situation is serious too, with an estimated gap of €177-334 billion per year,⁶ more than it would cost to fill an Olympic swimming pool with pure gold. It should be noted that this figure is likely to be a vast underestimate as data on climate risks is incomplete.


 THE NUMBER OF ADAPTATION BADGES
3,375
 PREVIOUS IMPACT REPORT:
 2,950 (+14.41%)

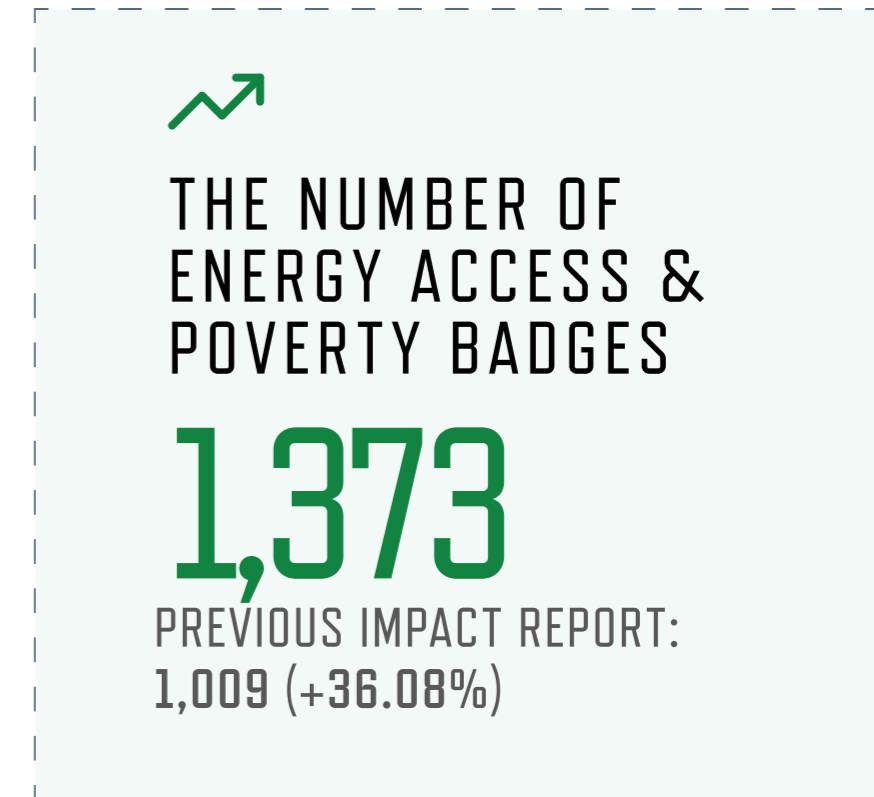
	ASSESSMENT	GOAL	PLAN
	 2,518 PREVIOUS IMPACT REPORT: 2,044	 3,209 PREVIOUS IMPACT REPORT: 2,780	 2,005 PREVIOUS IMPACT REPORT: 1,567
GROWTH	+ 23.19%	+ 15.43%	+ 27.95%



ENERGY ACCESS & POVERTY

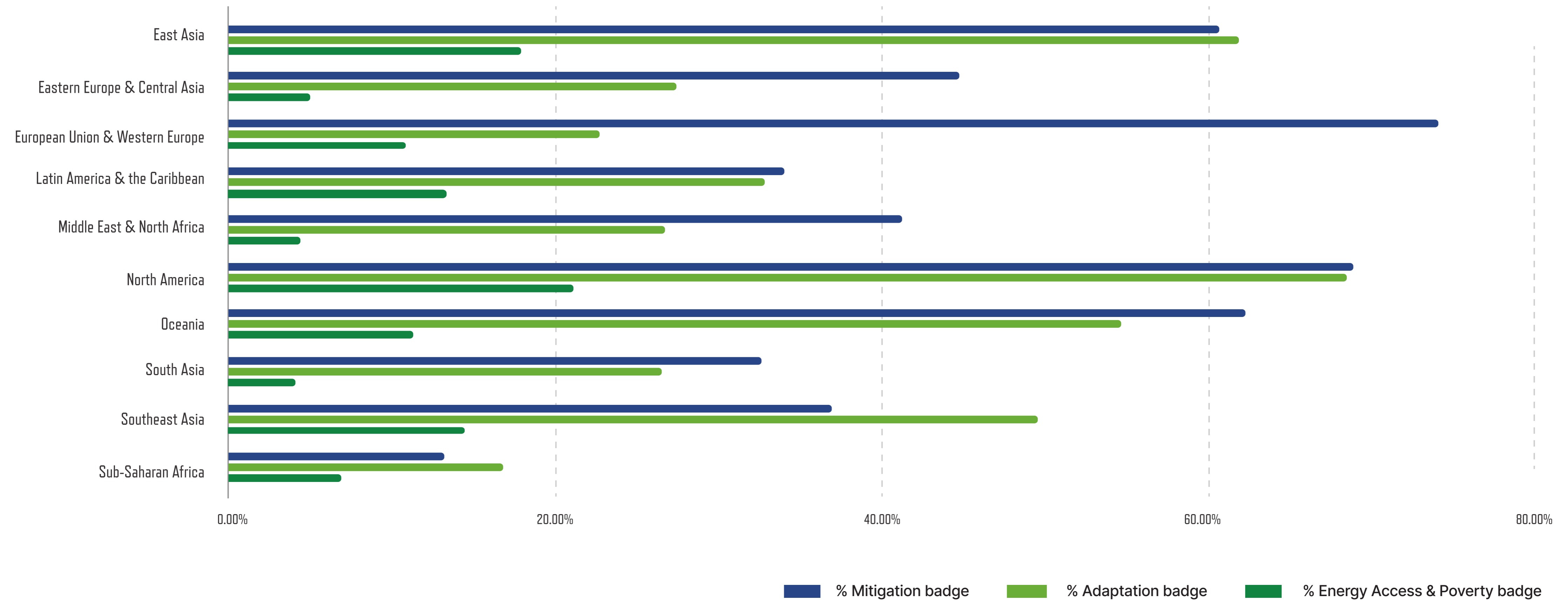
CLIMATE ACTION MUST ADDRESS THE NEEDS OF THE MOST VULNERABLE

In considering the cost of tackling climate change, it's important to acknowledge those without the means to access or afford an adequate supply of energy. GCoM signatories also commit to improving energy access and alleviating energy poverty – an area for which global reporting was added in 2022. Though reporting on this pillar does not become mandatory until 2025, 1,249 signatories have already reported action plans to tackle the issue, up 25% from last year.



	ASSESSMENT	TARGET	PLAN
	<p>140 PREVIOUS IMPACT REPORT: 30</p>	<p>393 PREVIOUS IMPACT REPORT: 189</p>	<p>1,249 PREVIOUS IMPACT REPORT: 1,002</p>
GROWTH	+ 366.67%	+ 107.94%	+ 24.65%

FOCUS ON EACH PILLAR VARIES BY REGION, BUT ALL REGIONS SHOW STRONG PROGRESS



This year's GCoM Impact Report shares key city climate insights, and the major hurdles that cities face in engaging with forms of climate finance to make a difference locally and globally.

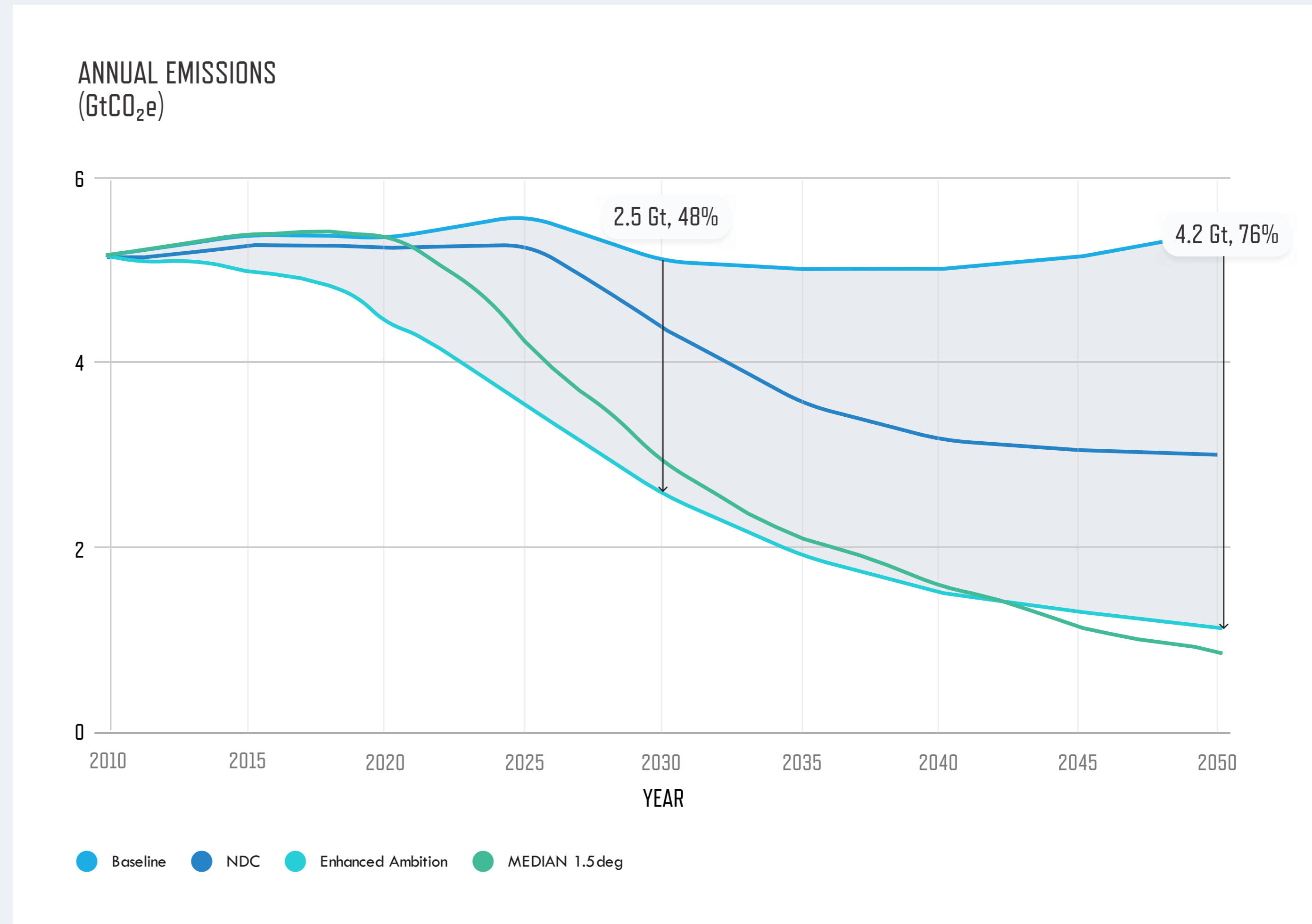
Support for cities in the form of funding and financing to tackle climate change is essential, as is technical support to enhance local governments' capacity to leverage their budgets more effectively. Cities have demonstrated that their engagement is fundamental to shifting the global climate outlook.



CITIES COULD REDUCE EMISSIONS VALUED AT €3.36 TRILLION

Based on current targets and actions, GCoM cities and local governments could collectively reduce global emissions by the equivalent of 4.2 GtCO₂ annually by 2050 compared to a business-as-usual trajectory.

That's the equivalent to taking almost 1 billion petrol-powered cars off the road per year. Given the European Investment Bank recommendation for the shadow cost⁷ of carbon in 2050, €800 per tonne,⁸ that reduction comes out at a value of €3.36 trillion in that year alone.



A large, dead palm tree stands as the central focus, its fronds brittle and brown, reaching out against a heavy, overcast sky. In the background, a residential neighborhood with terracotta-roofed buildings is visible, suggesting a coastal or semi-arid urban environment. The overall mood is one of desolation and environmental neglect.

THE COST OF INACTION

Floods, sea-level rise, extreme temperatures, and other hazards increasingly strain municipal budgets. They cause death and illness, destroy material and intangible goods, and leave enormous financial and non-financial loss in their wake. Some of the most impactful climate actions require significant investments, but the cost of inaction is far higher in the long run.⁹ Proactive adaptation and mitigation efforts save money and lives.

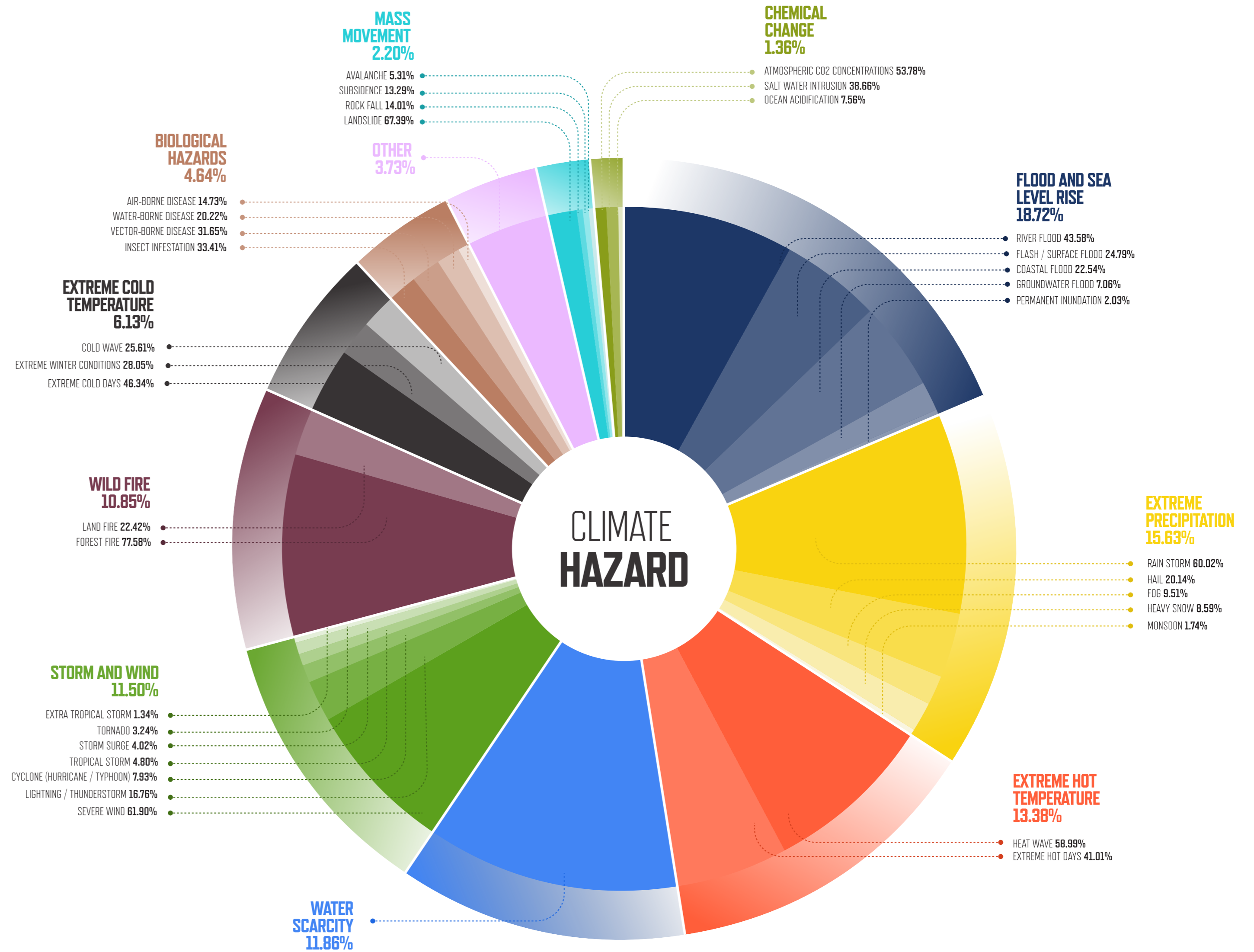
Floods and extreme rainfall are among the most frequently reported climate hazards, with cities worldwide experiencing severe damage. As of 2024, 2,214 cities and local governments reported flooding or sea-level rise as one of their top hazards, while 2,122 cited extreme rainfall. The economic costs of such events are substantial – amounting to €15 million per hour according to one study.¹⁰ Without action, climate change could lead to cumulative losses of 16-22% of global GDP by 2100.¹¹

The economic impacts are compounded by healthcare costs, rising due to heatwaves and pollution-related illnesses. Without aggressive climate action, more than half the world's population will face water stress by 2050, increasing food prices and destabilizing economies.¹² Vulnerable populations, such as low-income households and the elderly, are disproportionately affected by these hazards, further exacerbating the social cost.¹³

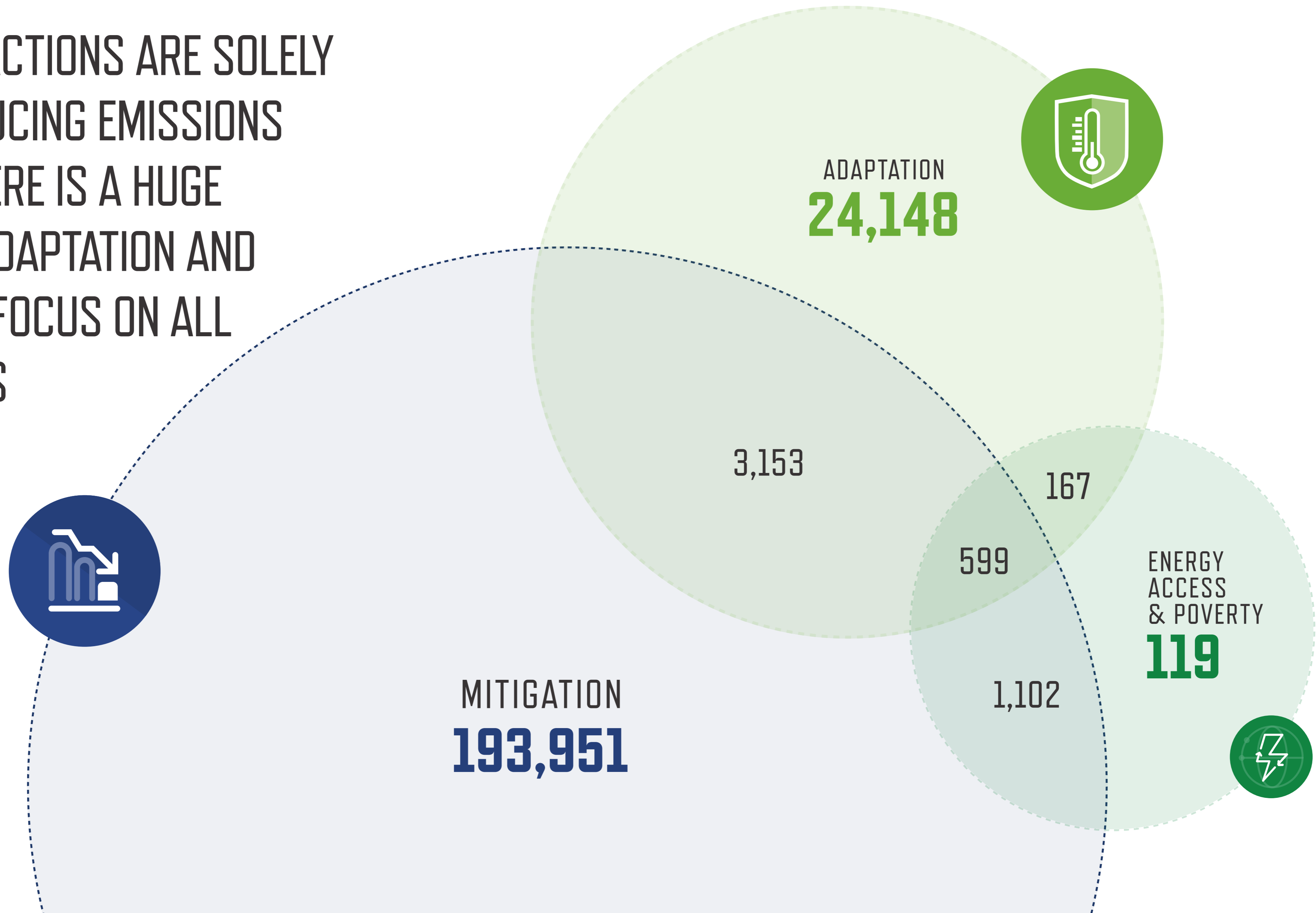


CLIMATE HAZARDS COME AT AN INCREDIBLE COST TO INDIVIDUALS AND SOCIETY

The chart shows the hazards that signatory cities report being vulnerable to. The outer distribution shows the relative occurrence of hazard subcategories for those cities who reported with this level of detail.

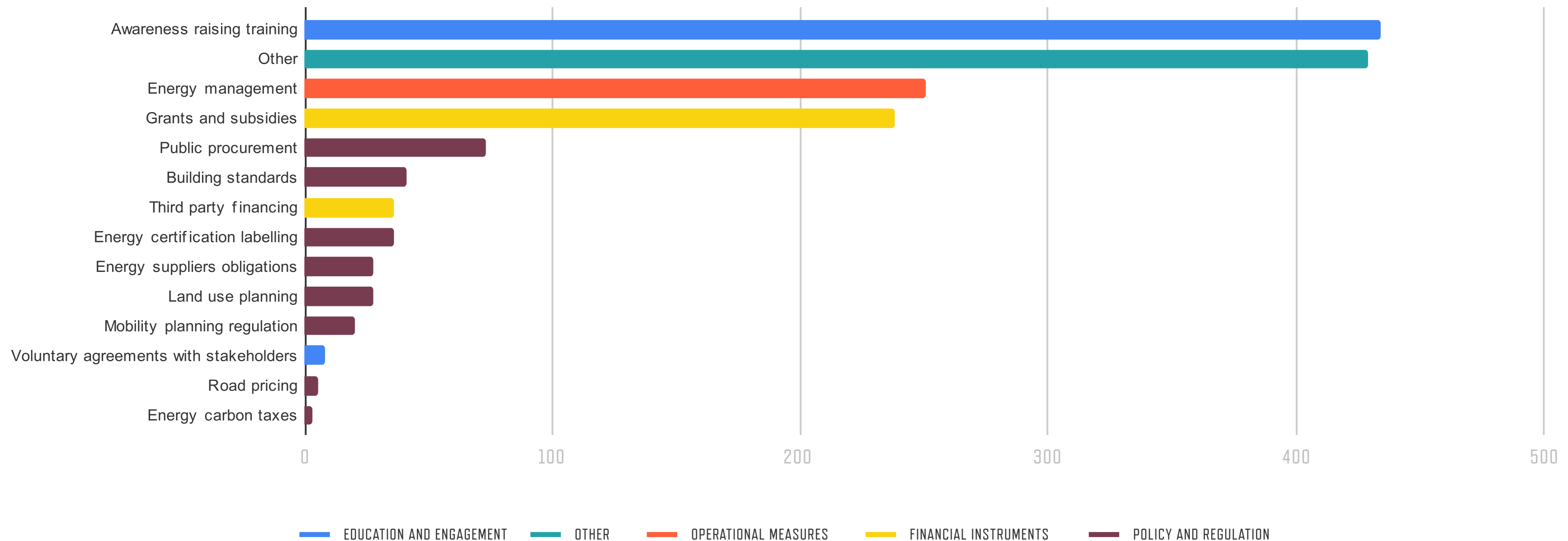


THE BULK OF ACTIONS ARE SOLELY AIMED AT REDUCING EMISSIONS HOWEVER, THERE IS A HUGE INCREASE IN ADAPTATION AND 599 ACTIONS FOCUS ON ALL THREE PILLARS



ANALYZING 1,628 ENERGY POVERTY ACTIONS BY THE TYPE OF MEANS USED, AWARENESS-RAISING EMERGES AS THE MOST FREQUENT, FOLLOWED BY 'ENERGY MANAGEMENT' AND 'GRANTS AND SUBSIDIES'

When categorizing these means in family groups, the category of Policy and Regulation stands out, with eight different types of means, indicating municipalities rely on a broad range of policy measures.





Proactive adaptation efforts by cities focus on hazards like extreme heat and water scarcity, with 6,952 actions targeting heat and 5,898 addressing water scarcity. Investment in climate-resilient infrastructure, such as green roofs and enhanced water management, deliver significant financial returns, with each euro spent on resilient infrastructure saving up to four euros in avoided damages.¹⁴ Increasing investments in renewable energy and decarbonization has been shown to stabilize energy costs and create jobs.¹⁵

Besides job creation, swift climate action delivers many co-benefits, such as improved health and enhanced social equity.¹⁶ Investments in renewable energy, for example, can reduce air pollution and related health costs, while also creating economic opportunities in green industries and cleantech. According to the Intergovernmental Panel on Climate Change (2022), limiting warming to 1.5°C would significantly reduce disaster-related losses and improve resilience in vulnerable regions.¹⁷ On the other hand, a 2°C rise threatens critical ecosystems, from coral reefs, nearly all of which would disappear, to arctic and high-altitude areas that may see irreversible changes in biodiversity and habitat; For humans, heat-related illnesses and the spread of vector-borne diseases, such as malaria, as well as food insecurity would also dramatically increase.¹⁸



SOURCES OF CLIMATE FINANCE

Urban climate finance involves the financial resources that are used to support local actions that mitigate or adapt to climate change. The potential sources of these funds include public, private, and alternative funding mechanisms, and they can be repayable or non-repayable.

It's important to note that tackling climate change shouldn't be limited to the remit of climate-specific projects: All financial flows should be aligned with the Paris Agreement, with all investments actively contributing to climate resilience and sustainability. Contradictory spending policies could undermine progress in climate adaptation and mitigation efforts at the local level.

Public sources typically include government budgets, international aid, and multilateral institutions like the Green Climate Fund, which provide crucial support for large-scale climate initiatives, especially in developing cities.



Private sources, such as investments from businesses, banks, and insurance companies, play a significant role in funding innovative technologies and sustainable infrastructure projects. When it comes to adapting to the effects of climate change, attracting the private sector can be especially challenging due to the difficulty of quantifying long-term financial returns, uncertain data, high upfront costs, and the lack of tailored financial instruments and supportive policies.

To create a compelling business case, cities need to highlight both financial returns and risk reduction, framing adaptation investments as long-term safeguards against climate-related financial losses, such as those from extreme weather, supply chain disruptions, and infrastructure damage.

Alternative funding mechanisms, such as green bonds and carbon credits, can also offer creative ways to finance urban climate strategies by linking financial returns to environmental performance.

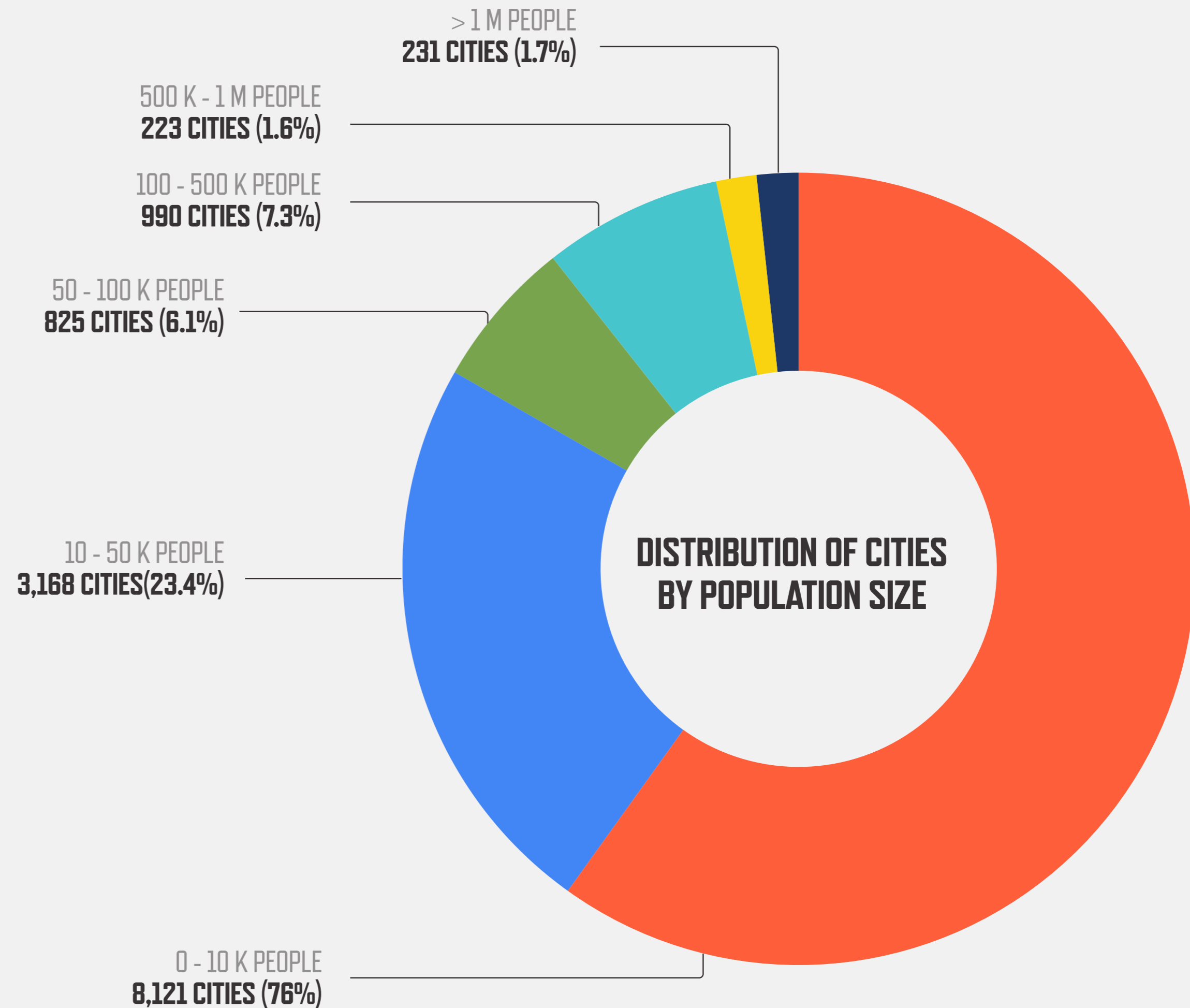
Small and medium-sized cities, which describe a large majority of GCoM signatories, face challenges in accessing climate finance, including limited technical capacity and expertise to navigate complex funding mechanisms, and high perceived risk, which makes them less attractive to investors. High transaction costs and the small scale of their projects further limit access to finance, as many investors seek larger projects for better returns.

Cities often lack mechanisms to aggregate projects, making it hard to attract private finance. They also struggle to match funding options with their needs and face difficulties meeting co-financing requirements. Political and regulatory barriers, fragmented access to funding, and insufficient data to support project proposals further complicate their efforts to secure climate finance.



MORE THAN **80%** OF THE GCOM CITIES HAVE A POPULATION OF FEWER THAN **50,000** INHABITANTS

THE **AVERAGE** POPULATION OF A GCOM CITY IS AROUND **90,000** PEOPLE



MULTI-LEVEL PARTNERSHIP

CHAMP

Countries are increasingly searching for solutions and partnerships that can help them turn their climate pledges into action on the ground. The Coalition for High Ambition Multi-level Partnerships (CHAMP) is such a solution, provided by several partners including GCoM.

Endorsed by 74 national governments since its launch at COP28, it is a collective commitment to delivering climate action in partnership with cities and regions and to mobilising the necessary funds to support the implementation of action locally.

MONTRÉAL CALL TO ACTION

GCoM's Montréal Call to Action on Cities, Climate Research and Governance also urges collaboration among cities, regions, and national governments to drive ambitious climate action with the latest science and innovation. Launched at the 2024 Innovate4Cities Conference, it invites practitioners and leaders to join, amplifying urban climate research as governments finalize climate plans for the next five years.





INVEST4CITIES

GCoM's Invest4Cities initiative unlocks the vast potential of urban climate action by enhancing the flow of investment into cities' mitigation and adaptation projects. The initiative focuses on helping cities create the right conditions to attract investment by advocating for regulatory changes that reduce financial risks and foster more significant collaboration between local governments and private investors.

This support involves working with national governments and financial institutions to improve access to both public and private sector funding. In 2024, GCoM held three key Joint Program events through Invest4Cities with C40 and UrbanShift: An adaptation investor roundtable in Belem, Brazil; An Energy Finance Academy on building efficiency in Jakarta; And a Chief Financial Officer Convening on Clean Transport Finance in Accra, Ghana. These events connect cities directly with investors, helping them fine-tune projects for future funding.

In addition, Invest4Cities seeks to unlock large-scale financing instruments such as green bonds and blended finance mechanisms, which link investment returns to environmental performance. By leveraging these innovative financial tools, the initiative enables cities to secure the capital required to advance climate-friendly infrastructure, making it easier for them to meet their climate goals.

Invest4Cities also helps cities prioritize project ideas and bridge the gap between having a climate action plan and turning that plan into bankable projects or investment opportunities. Many cities, particularly in emerging and developing countries, face challenges in refining their ideas into tempting business cases that can attract public or private financial backing. However, there is a critical gap in technical assistance funding at the early planning and project design stages, which are the pre-feasibility stages.

The GCoM City Resilience Climate Finance Gap Fund partnership, GCoM's 'Bankable Cities' and 'Business Matchmaking' initiatives, each of which is outlined below, seek to bridge this gap in complementary ways.

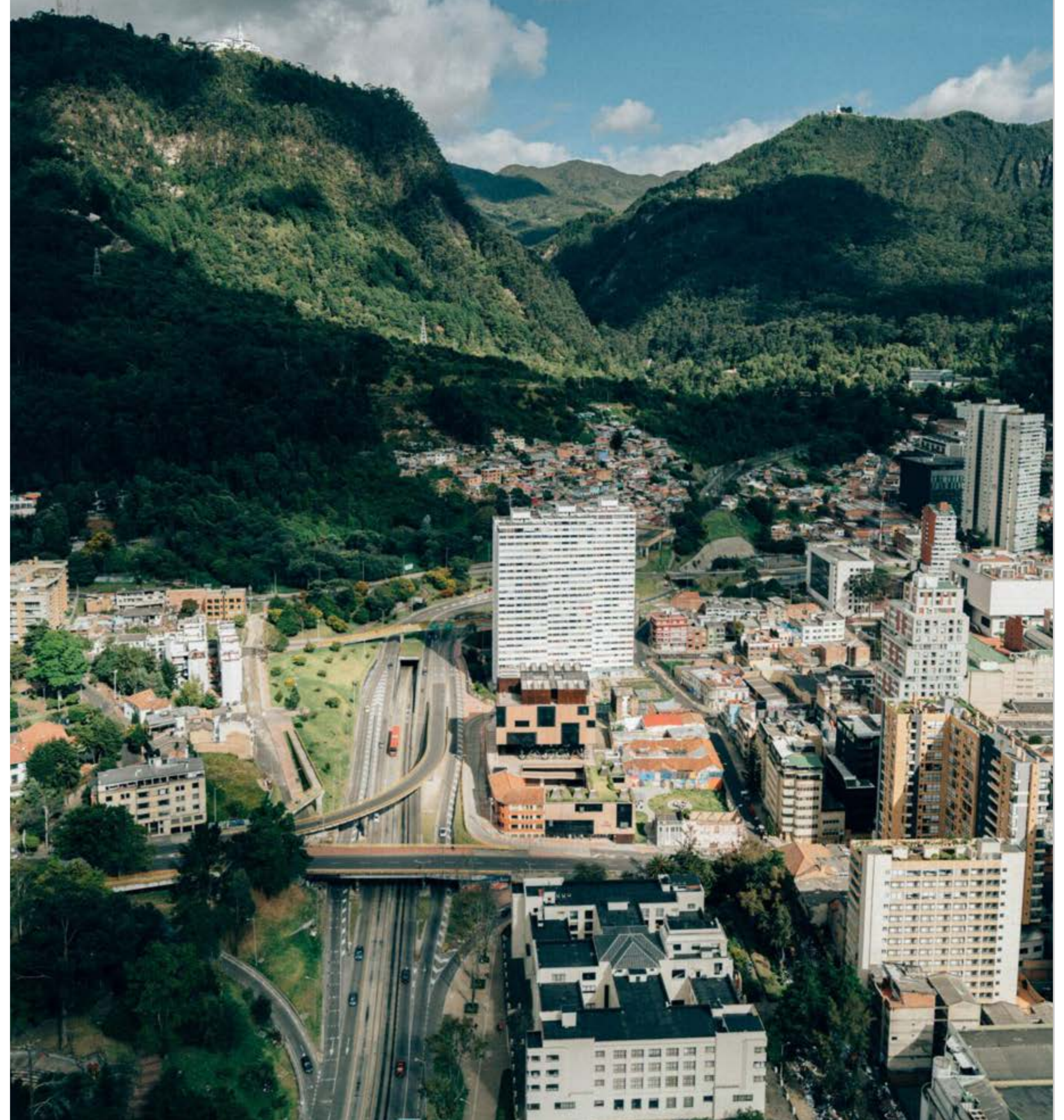
GCOM-GAP FUND PARTNERSHIP

The City Climate Finance Gap Fund, supported by GCoM, provides targeted assistance to help cities refine their climate action projects to make them investment-ready. Many cities, particularly in the Global South, face difficulties in accessing the technical expertise needed to transform their ideas into fully developed projects that can attract funding. The Gap Fund aims to bridge this gap by offering technical advice and capacity-building at the earliest stages of project development.

Early-stage financing allows cities to conduct feasibility studies, develop business models, and ensure projects align with both climate and development objectives. The Gap Fund unlocks larger investments for urban climate resilience and mitigation projects by enabling cities to overcome these initial barriers.

The Global Covenant of Mayors and the City Climate Finance Gap Fund have established a strategic collaboration focused on raising awareness about the Gap Fund and providing tailored support to cities. Since August 2022, this partnership has enhanced cities' capacities to develop strong Expressions of Interest. A key aspect of the partnership is promoting knowledge building and sharing among cities regarding climate finance and early-stage project preparation.

The graphs below show the achievements of the GCoM team through the Gap Fund in just one year, from June 2023 to June 2024. The partnership has successfully expanded the reach of the Gap Fund, empowering cities to overcome initial hurdles and improve their ability to develop climate initiatives and projects.



ONE YEAR OF THE GCOM-GAP FUND PARTNERSHIP

With over 100 events, with more than 4,500 participants from 1,000 cities and 90 countries, the GCoM-Gap Fund partnership team identified



130 are currently receiving direct support from the GCoM-Gap Fund team



70% GCoM signatory cities



205M urban dwellers

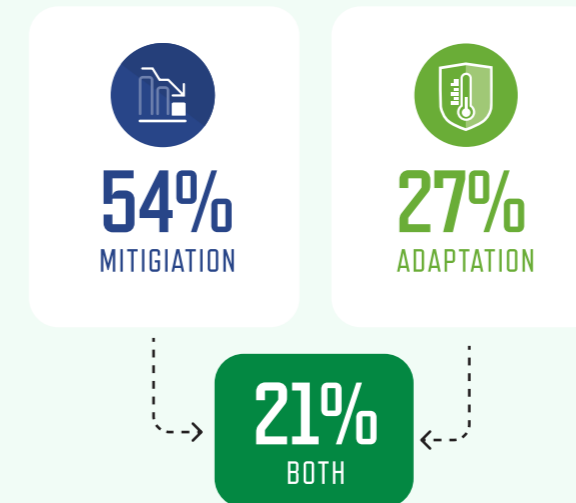
57% of those cities have less than 500K inhabitants and 4% have more than 5M

Nbs, Flood management, risk assessment and disaster risk reduction strategies

- 4 Eastern Europe and Central Asia
- 19 Latin America and the Caribbean
- 15 South Asia and South-East Asia
- 13 Sub-Saharan Africa

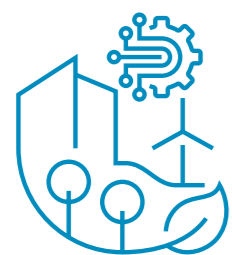
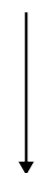
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HAVE TRANSLATED INTO EXPRESSIONS OF INTEREST FOR THE CITY CLIMATE FINANCE GAP FUND



HAVE TRANSLATED INTO EXPRESSIONS OF INTEREST FOR THE CITY CLIMATE FINANCE GAP FUND

41



75%

are eligible to receive technical assistance for pre-feasibility stages

- LAC: Adaptation and Sustainable Urban Mobility
- EECA: Energy Efficiency and Green Buildings
- SA: Water and waste management
- SEA: Energy Efficiency and Solid Waste Management
- SSA: Energy Efficiency and Adaptation

The project ideas per sector

- 25% Adaptation
- 20% Energy Efficiency
- 13% Urban Green Areas
- 12% Multiple sector
- 10% Solid Waste Management
- 8% Mobility
- 6% Water Waste Management
- 4% Green Buildings
- 2% Affordable Housing



The City Climate Finance Gap Fund supports cities in developing and emerging countries in achieving their climate goals. Through the GCoM-Gap Fund partnership, cities have made significant progress towards low-carbon, climate-resilient development. This collaboration has heightened awareness, strengthened capabilities, fostered strategic partnerships, and generated a portfolio of viable projects with substantial climate adaptation and mitigation potential.

The Global Covenant of Mayors for Climate and Energy continues to empower cities to realize their climate ambitions.



BANKABLE CITIES

To ensure that cities can access finance, it's crucial to make their climate projects 'bankable': attractive to investors and lenders and well-adapted to lending regulations. This requires thorough project preparation, demonstrating clear financial returns, environmental benefits, and social co-benefits. Through Bankable Cities, GCoM supports cities and local governments in building the necessary capacity to develop projects that meet the expectations of potential funders.

From Rosario's (Argentina) solar energy initiatives to Pontianak's (Indonesia) LED streetlight upgrades, cities are looking to cut energy consumption through smart investments. These initiatives require substantial upfront costs but result in long-term savings through reduced energy bills and maintenance. For example, installing LED bulbs can yield a 400% return on the initial investment.¹⁹

Sustainable mobility projects, such as Udaipur's (India) Green Mobility Zone and Segamat's (Malaysia) pedestrian and cycling infrastructure, also reduce emissions and improve urban health, which itself can equate to economic returns.

Other cities in the initiative are focusing on ecological restoration and water sustainability. Kota Kinabalu's (Malaysia) waterfront management and Siliguri's (India) riverfront development integrate nature-based solutions to address rising sea levels and pollution, while improving biodiversity. Umm El-Jimal's (Jordan) water harvesting project highlights the importance of improving public health and addressing water scarcity through holistic urban planning.

These capital-intensive projects bring substantial benefits, including flood prevention, enhanced public health, and agricultural sustainability, making them attractive investments for long-term economic and environmental gains.

Bankable Cities is currently engaging with 10 cities across the world.

BUSINESS MATCHMAKING

The climate finance landscape increasingly relies on the collaboration between cities and the private sector. GCoM's Business Matchmaking service connects cities with investors, technology providers, and financial institutions to foster partnerships that accelerate climate action. This approach allows cities to align their projects with business interests, creating mutually beneficial relationships.

So far, the initiative has engaged 50 cities globally and introduced them to 25 European businesses to address specific sustainability challenges. In an early success, Shimla, India, has entered a partnership with French company Cocoparks to reduce traffic congestion and emissions with smart parking solutions. By reducing time spent searching for parking by up to 30%, the system will help decrease the city's vehicle emissions –millions of metric tons of CO₂ are produced annually by cars searching for parking globally.²⁰

Participating cities have identified pressing needs in areas such as waste management, urban infrastructure, and water resilience. The businesses offer complementary solutions, ranging from converting demolition debris into new construction materials in line with circular economy principles, to implementing nature-based solutions for flood resilience.

Business Matchmaking is also driving projects towards being finance-ready: Three projects proposed by cities have already been selected for Bankable Cities' support.





CALLS TO ACTION

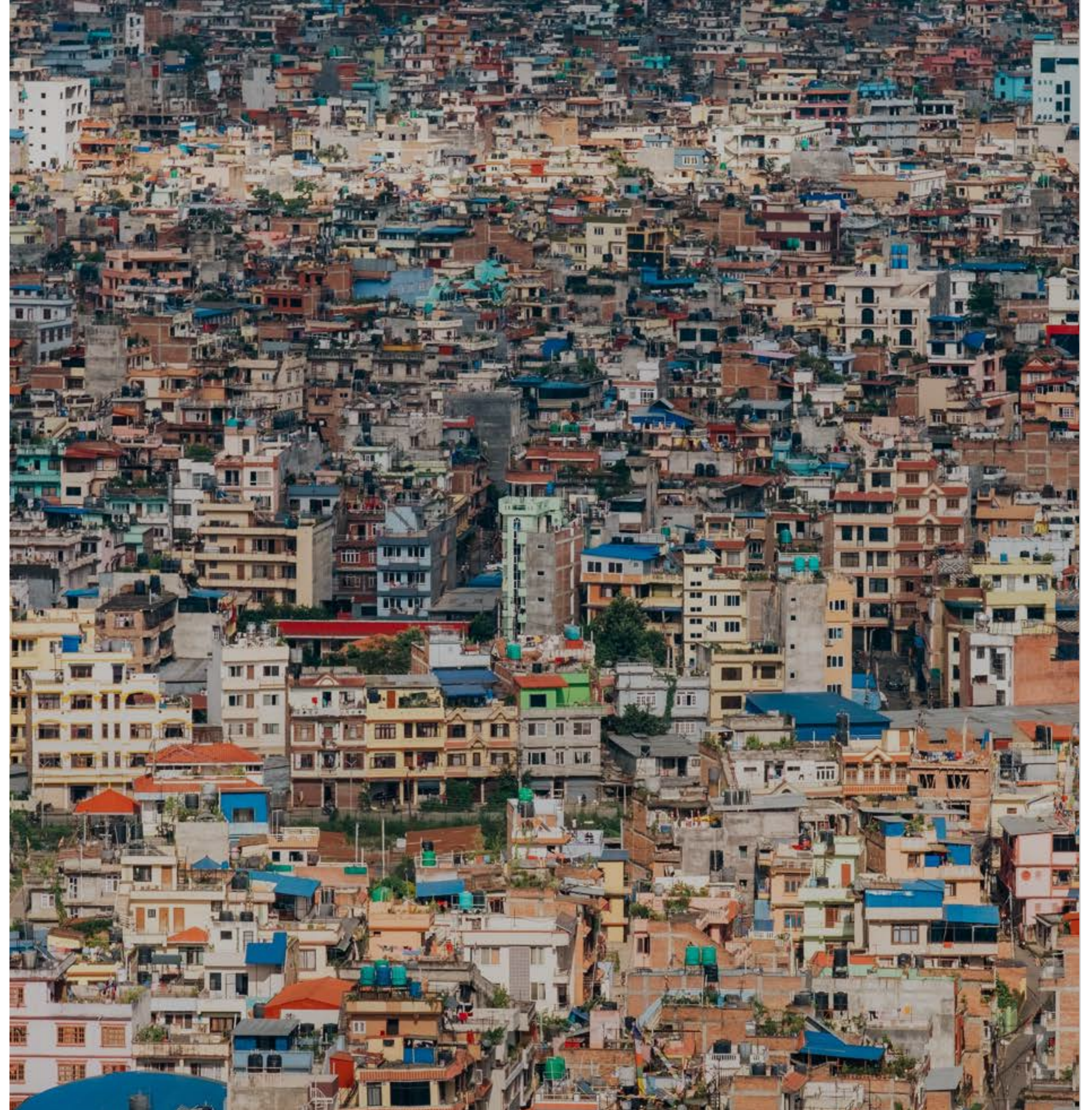
CALLS TO ACTION

Multilateral development banks, international finance institutions, and development financial institutions must enhance collaboration with cities to drive effective climate finance. Integrating climate considerations into development cooperation is crucial, with multilateral development banks working closely with national and city governments to prioritize urban needs, a call emphasized in a recent open letter from C40 Cities and GCoM.

Multilateral development banks should prioritize urban climate finance within their strategies, creating specific programs that offer concessional finance, technical support, and private investment mobilization. Improved lending practices, with intermediation actors like national development banks and pooled finance facilities, are essential to empower cities and mitigate climate risks.

National governments must prioritize multilevel dialogues with cities and dedicate concessional funding to develop viable climate projects, attract investment, and aggregate smaller projects into large-scale programs. New and existing funds, including the Fund for Responding to Loss and Damage, must also adapt to urban needs.

National policy reforms must promote fiscal autonomy and boost local governments' capacity to attract financing. This support will allow cities to scale climate action directly, leveraging multilateral development banks, climate funds, and private investment. With streamlined decision-making and a focus on climate cost-efficiency, these efforts ensure measurable progress toward 2030 and 2050 climate targets.





CASE STUDIES



FROM PROJECT IDEA TO SUBMITTING AN EXPRESSION OF INTEREST FOR THE GAP FUND IN KOROSTEN (UKRAINE)

Working in partnership with GCoM, the United Nations Development Programme in Ukraine and GIZ, the city of Korosten identified the challenges and urgent need to promote energy efficiency in buildings. The city is part of the Energy Efficiency in Public Buildings in Ukraine, UPBEE, a loan program funded by the European Investment Bank.

In response to the climate challenges highlighted, the GCoM Gap Fund team supported the city while the technical representatives crafted the Expression of Interest, in which the city representatives outlined the project's key elements, set the goals, and defined the specific requests for Gap Fund support. The Expression of Interest seeks technical assistance to design and implement the thermal building modernization, an initiative aligned with the Strategic Development Plan of the Korosten City Territorial Community through 2030.

CITIZEN FINANCE IN QAB ELIAS-WADI EL DELM (LEBANON)

Qab Elias-Wadi El Delm has demonstrated how cities and the private sector can collaborate to implement sustainable solutions even when public funds are limited. Faced with difficulty providing funding for a large-scale solar project, the municipality partnered with a local solar panel supplier to promote renewable energy without direct funding.

The supplier provided enough solar panels for 40 homes at a minimal 5% markup, including installation, making them affordable for residents. This initiative quickly demonstrated the effectiveness of solar energy, showing that by using solar panels wisely, residents could significantly lower their electricity bills and reduce CO₂ emissions. Purchasing among locals thus gained momentum, and today, 50% of households have installed solar panels. The initiative highlights the power cities for facilitating partnerships and community engagement to achieve sustainability goals.





BLENDING NATIONAL AND INTERNATIONAL FUNDING IN TASHKENT (UZBEKISTAN)

In Tashkent (Uzbekistan), national and international funds contribute to local climate action. The national Clean Energy for Buildings project is supported by over €130 million in concessional credit from the World Bank, and focuses on energy efficiency improvements in over 500 public buildings across the country, including schools and hospitals.

The project is implemented by Uzbekistan's Intersectoral Energy Savings Fund, established through national presidential decree. Additionally, the Global Environment Facility (GEF) provides a grant of €758,530 to support green consumer loans in Tashkent, enabling local residents to invest in renewable energy equipment.

GREEN BONDS IN CAPE TOWN (SOUTH AFRICA)

Cape Town became the first city in Africa to issue a green bond in July 2017, raising ZAR1 billion (€52 million) to finance sustainable projects aligned with its climate action goals. The green bond, listed on the Johannesburg Stock Exchange, follows the internationally recognised Climate Bonds Standard. The proceeds were allocated to projects including the expansion of renewable energy systems, energy-efficient retrofits of municipal buildings, and improvements to water management infrastructure.

These initiatives are aimed at mitigating climate risks and adapting to the challenges posed by Cape Town's growing population and environmental pressures. Attracting investment from environmentally conscious investors, the bond enables the city to pursue projects that might otherwise be constrained by limited public funding. This has also fostered greater public and investor engagement in local climate action.





SOFT LOANS BLENDED WITH GRANTS IN ARADIPPOU (CYPRUS)

Aradippou has developed an innovative financing strategy to drive residents' investment in energy efficiency. Through a blend of private and public funds, including municipal grants and soft loans (loans offered at an especially low interest rate), Aradippou offers homeowners accessible financing to retrofit homes and install solar panels, initially securing €1 million for loans on 100 homes.

Despite delays due to negotiations with banks, the program continued under the Horizon 2020 INNOVATE project, targeting 50 homes within six months and planning to scale up to 3,000 homes in the next decade. The city also launched a one-stop-shop at City Hall, guiding residents through their retrofit journey, thereby supporting local economic recovery and aiming to reach a €30 million investment goal for sustainable urban development.

PUBLIC PRIVATE PARTNERSHIP IN RAJKOT (INDIA)

In Rajkot, the city is using a public-private partnership (PPP) for a new solid waste treatment plant. The private partner will bear the cost of ₹135 crore (approximately €15 million) to set up and operate the facility. This plant will process 600 tonnes of waste daily and generate 14.9 megawatt hours of electricity. The Rajkot Municipal Corporation (RMC) provided the land for the project, and the energy produced will be sold to Gujarat Urja Vikas Nigam Limited (GUVNL) under a power purchase agreement at a rate of ₹7.01 (approximately €0.078) per unit.

This PPP allows Rajkot to benefit from private sector expertise and investment without incurring the upfront capital costs. Abellon Clean Energy Ltd. will earn revenue through the sale of generated electricity, demonstrating how Rajkot can tackle waste management challenges while creating a sustainable revenue model by leveraging private capital for climate-resilient infrastructure.



REVOLVING FUND IN SAN ANTONIO (USA)

San Antonio established a revolving Energy Efficiency Fund in 2011 with an initial investment of €4.3 million from the federal American Recovery and Reinvestment Act. The fund was designed to finance energy efficiency upgrades across the city's public buildings, covering an area of more than 1,400 square kilometres. The fund supports projects with total costs ranging from €940 to €235,000, with an average project cost of €18,800. Annually, the city invests approximately €1.7 million in new energy-saving projects, reinvesting the savings generated by completed initiatives back into the fund, creating a self-sustaining model for continuous upgrades.

By 2017, the fund had financed 372 energy efficiency projects, reducing the city's energy consumption by 13.2% and preventing the emission of 58,597 tonnes of CO₂. The city manages these projects in-house from design to implementation, using tools like the US Environmental Protection Agency's Portfolio Manager to monitor energy use and savings.



MOBILIZING CLIMATE FINANCE ACROSS ASIA

Cities have used the support of the European Commission Project 'GCoM Asia' to mobilize climate finance. Four cities self-funded their Climate Action Plans (CAP) using the GCoM methodology.

Other cities were able to secure support from sources like the Asian Development Bank, C40, and the Japan International Cooperation Agency, engaging a diverse range of funding mechanisms. Overall, GCoM Asia has assisted 55 cities in applying for climate finance funds and engaged over 4,000 participants from 800 cities in capacity-building activities.



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Note: All references to 'cities' throughout this document also refer to local governments of various types.

FUNDERS & REGIONAL COVENANTS

GCoM is the largest global alliance for city climate leadership, uniting a global coalition of over 13,500 cities and local governments and 100+ supporting partners. The cities and partners of GCoM share a long-term vision of supporting voluntary action to combat climate change and towards a resilient and low-emission society. GCoM serves cities and local governments by mobilizing and supporting ambitious, measurable, planned climate and energy action in their communities by working with city/regional networks, national governments, and other partners to achieve our vision. The coalition comprises cities across 6 continents and 147 countries, representing over 1.2 billion people or more than 14 percent of the global population.

To learn more about GCoM, please visit our [website](#), or follow us on [Twitter](#), [Instagram](#), [Facebook](#), and [LinkedIn](#).

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