

LGMA STATEMENT
AT 1ST GLOBAL STOCKTAKE 3RD TECHNICAL DIALOGUE (GST TD1.3)
ROUNDTABLE-3: IMPLEMENTATION

**Delivered by; Andy Deacon, Co-managing Director,
Global Covenant of Mayors for Climate and Energy**

Andy Deacon, from the Global Covenant of Mayors for Climate and Energy, and I will speak on behalf of the LGMA Constituency.

First, we would like to express our appreciation to the co-facilitators for their efforts in ensuring the meaningful participation of non-Party stakeholders in the technical dialogues and efforts to incorporate our views into the summary reports.

Local Governments are at the forefront of the climate crisis. With more than half the world's population, two-thirds of global energy consumption, more than 70 percent of global greenhouse gas emissions, and disproportionate exposure to a wide range of climate risks; cities are critical vehicles for climate action implementation. The costly combination of worsening climate disasters, a lack of energy access and crippling energy poverty, and the economic stressors of rising inflation and cost of living make it urgent to identify and implement global solutions to urban climate finance challenges. The Summary for Urban Policymakers of the IPCC's 6th assessment report makes this need clear and builds on rounds of consultation globally with subnational actors.

Insufficient access to finance and technical capacity are major barriers preventing LGMA members from realising climate mitigation and adaptation implementation and a just urban energy transition that leaves no one behind. In addition, despite UN-Habitat estimates that 90% of urban growth through 2050 will occur in low- and middle-income developing countries (in regions such as Sub-Saharan Africa and South Asia), but existing climate finance flows are heavily concentrated in OECD countries and China.

We have communicated the need for earmarked, consistent, equitable and accessible climate finance, to make up the estimated annual gap of 1.8–2.4 trillion USD that must be invested in sustainable and climate-resilient urban infrastructure through to 2030. Given the economic and climate stress facing many cities across the Global South, addressing the urban climate finance gap is an urgent need to ensure that we can keep 1.5 alive, build resilience to the worst impacts of climate change, and ensure that everyone has access to clean, affordable and sustainable energy.

LGMA members have done incredible work over the last several years, setting ambitious climate targets and building robust climate action plans. But we are entering a new phase of work – implementation – and funding needs to be unlocked quickly to sustain momentum.

The financing gap reflects a lack of direct funding to cities from national governments, IFIs and the private sector as well as lack of capacity within municipal governments to define investment ready projects and navigate the private climate finance landscape.

We think we are approaching a tipping point as governments and investors worldwide increasingly recognise the importance of urban climate action. As a constituency, our areas of focus this year include strengthening the role of cities in UNFCCC processes and playing our part in helping to close the NDC emissions reduction gap. This will help cities secure more direct finance from governments and the private sector – and pave the way for local governments to access funding from Article 6 markets and Loss & Damage Funds. We believe in the power of multilevel governance as an opportunity to integrate regional and local contributions into national policy processes around NDCs, NAPs, and NUPs – establishing a robust value proposition for national-local implementation financing streams.

Our constituency members continue to raise awareness of the urban investment opportunity, using alliances like GCoM and its partners including ICLEI, C40 Cities, UCLG and others will help to aggregate and give visibility to a well thought through and pre stress-tested pipeline of investment projects.

The Cities Climate Finance Leadership Alliance State of Cities Climate Finance report estimated that around 385 billion of climate finance is made available per year to cities, of which only 9% goes to adaptation. Others, including 2022's Stern-Songwe report, estimate that ~3 trillion/yr of sustainable infrastructure investment is needed to be on track to meet Paris Agreement goals, so we have a long way to go and some serious and concerning imbalances to address. We look forward to engaging with Parties, cities states and regions, public and private sector partners and civil society leaders to bring together the financial means of implementation for NDCs and towards delivery of the Paris Agreement.

We will submit this statement in writing and provide further relevant data and examples of initiatives at subnational level that we hope to see reflected in the summary report.

Thank you very much.