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for Sustainability



REGIONS OF  
CLIMATE ACTION



## Proposition for follow up actions

Reflection of the outcomes of the Standing Committee on Finance  
Forum on Sustainable Cities (UNFCCC)  
12-13 September 2019, Beirut, Lebanon

### Acknowledgement

Cities Climate Leadership Group (C40), Global Fund for Cities Development (FMDV), ICLEI – Local Governments for Sustainability (ICLEI), Regions of Climate Action (R20), United Nations Capital Development Fund (UNCDF) and World Resources Institute (WRI) thank the members of the Standing Committee on Finance (SCF) for recognizing the crucial role of local governments in reaching the goals of the Paris Agreement and SDGs, dedicated their 2019 Forum to enhance the understanding on how to accelerate the mobilization and delivery of climate finance for sustainable cities.

C40, FMDV, ICLEI, R20, UNCDF and WRI welcome the efforts of the SCF in this regard. Below are outcome highlights from the discussions that we suggest to be part of the COP report, and serve as a basis of follow up action, raising further interest and awareness of Parties on the importance of local climate action and enforce global action.

### Outcomes

Key climate practitioners attending the Forum, identified challenges faced by actors at the subnational level to access and attract finance and shared expertise on available support and good practices.

An estimated USD 93 trillion has to be invested in sustainable infrastructure to reach the global goals by 2030, over 70% of which will be built in urban areas. Despite this pivotal role, local and regional governments face barriers in accessing finance due to technical and financial capacity constraints, complex financial conditions and lack of investment-friendly projects.

## Recommendations

We recommend the following action points to be considered by Parties and financing institutions (both bilateral and multilateral), in addition to the key points captured in the Forum summary report, with a view to closing the finance gap faced by city actors in tackling climate change:

1. Simplify the application procedure and enable accelerated access to the UN climate funds provided by its operating entities (GCF, GEF) as well as the Adaptation Fund, to support zero emission and climate-resilient urban development.
2. Connect and build linkages with the initiatives announced at UN Climate Action Summit 2019 aiming to increase financing for local and regional governments, and to promote sustainable urban infrastructure, particularly with the Gap Fund<sup>1</sup>, addressing the critical lack of grant funding necessary to mature pipelines of projects from concept to a stage where they can be advanced towards full feasibility analysis and ultimately investment.
3. Localize funding and financing via supporting local financial intermediaries such as Subnational and Local Development Banks, NIEs.
4. Support the vertical integration of NDC and NAP processes and investment plans leading to increased financing for their implementation at subnational level.
5. Support initiatives that focus on project preparation and capacity building of local and regional governments.
6. Support peer exchange and knowledge development on financing tools for climate action.
7. Support country-based mechanisms that offer systematic solutions for local and regional governments to access climate finance for building local resilience and zero emission development.
8. Track subnational climate finance flows and encourage data collection.
9. Unlock and accelerate private finance flows for sustainable urban development by supporting and encouraging the creation of innovative financing mechanisms i.e. using blended finance, development and philanthropic funds.
10. Enhance subnational financial engineering capacities.

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<sup>1</sup> <https://www.globalcovenantofmayors.org/press/cities-and-national-governments-partner-on-eur-100m-city-climate-finance-gap-fund/>