



Friday, 9 June 2023

Towards COP28 *Art 6.8 PA in-session workshop*

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I. Description of sustainable urbanization as a non-market approach

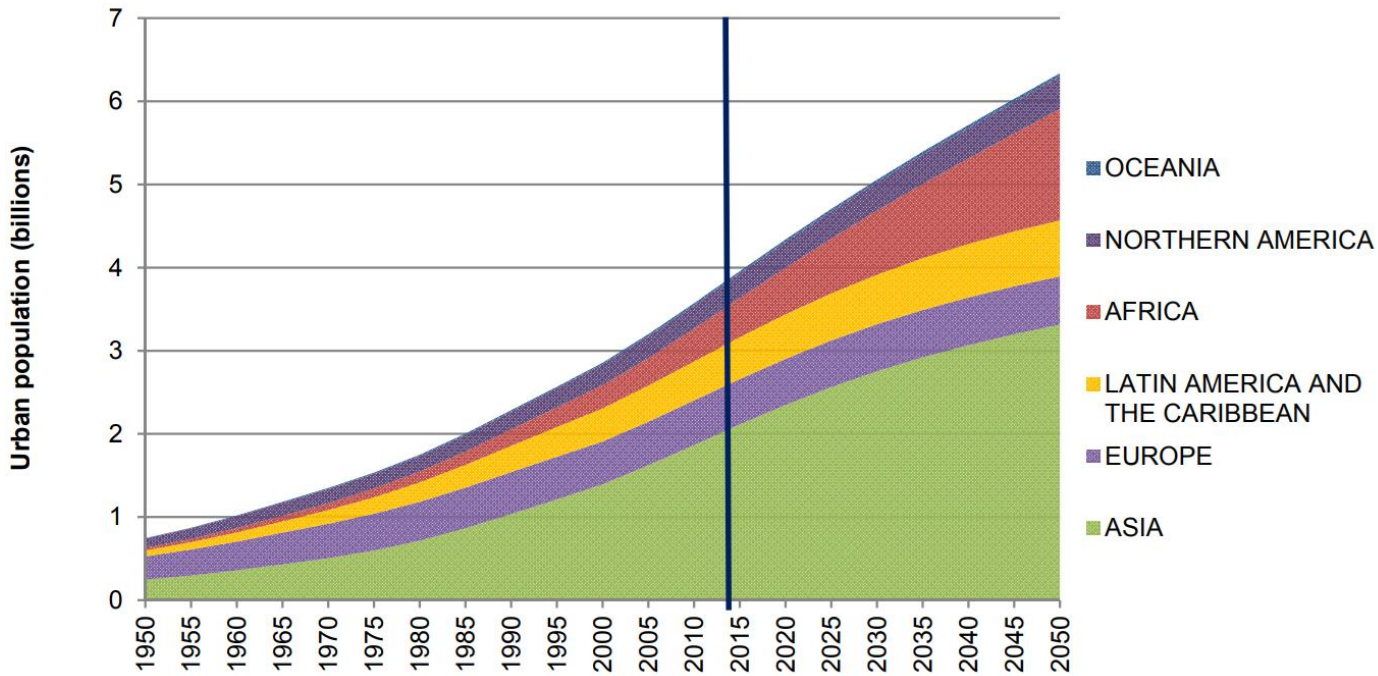
ICLEI, as a representative of LGMA constituency, welcomes the introduction of NMAs as a **new climate finance instrument beyond current budgets** and raising the interest of high-level policy makers and the private sector.

ICLEI, as representative of the LGMA constituency, is committed to support the work of Parties and is aiming to ensure that **“sustainable and integrated urban and territorial development planning, design and construction”** is acknowledged as one of the non-market approaches under the Paris Agreement.



Why sustainable urbanisation matters

Rapid urbanization



55% of population lives in urban areas and 7 out of 10 persons will live in cities by 2050. Cities are responsible for $\frac{3}{4}$ of global energy demand and release 70% of GHG.

Why sustainable urbanisation

High level of GHG emissions

Urban areas generate
over of GHG emissions:
70%

there was a **rise** from about
62% to **67-72%**
of the global share in urban
areas between 2015 and 2020.

70% of cities are already
experiencing harmful impacts to their
citizens and infrastructure as a result of
climate change.



Why sustainable urbanisation

Growing finance gap

Global infrastructure deficit in investment estimated to be under **USD 2.6 trillion annually**.

The estimated annual investment in urban adaptation representing only **9%** of tracked project level data.

Vastly insufficient levels of urban climate finance were invested in developing economies.

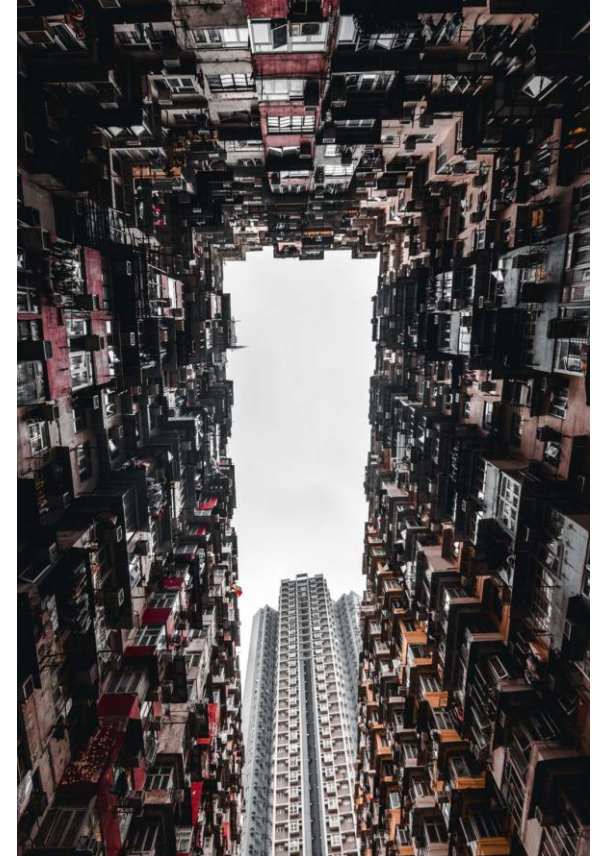
Escalating economic and social costs due to air pollution.

High levels of energy consumption - and vulnerability to volatile **energy prices.**

Wide range of other **economic and social costs** such as (road) safety, food security, etc.

II. Addressing paragraphs 2–3 of the annex to decision 4/CMA.3

- ❖ **Holistic and inclusive approach**, seeking to maximize social, economic and environmental benefits of each intervention and action.
- ❖ Urbanization Financing alone is not enough, promote policies and practices that **sustainably manage rapid urban expansion**.
- ❖ Promote tenure security for the marginalised and vulnerable and **ensure equitable access to public services**.
- ❖ Increase collaboration and coordination across all levels of government and promote integrated urban planning through **multilevel governance**. Ensure a **horizontal and vertical integration**
- ❖ Incorporate the global agenda at the local level and facilitate multi-level cooperation in **implementing the NDCs**. Promote vertically integrated NDC implementation and investment plans.
- ❖ **Mainstreaming green infrastructure in urban development planning** to contribute towards closing the climate finance gap.
- ❖ **Strong political and financial support of national governments** to attract private investors and other international finance institutions, facilities, and funds.



II. Addressing paragraphs 2–3 of the annex to decision 4/CMA.3



GHG emissions in cities can be reduced by almost **90% by 2050**

with technically feasible, widely available measures, potentially supporting

87 million jobs in 2030

and generating a global economic dividend of

USD 24 trillion

III. Provided information and progress in implementing the NMA

Paris Agreement

recognizes the **importance of all levels of governments**

The Glasgow
Climate Pact

recognizes the **urgent need for multilevel and cooperative action.**

2019 Standing
Committee on
Finance (SCF Forum)

on "Climate Finance and Sustainable Cities"

IPCC AR6 report

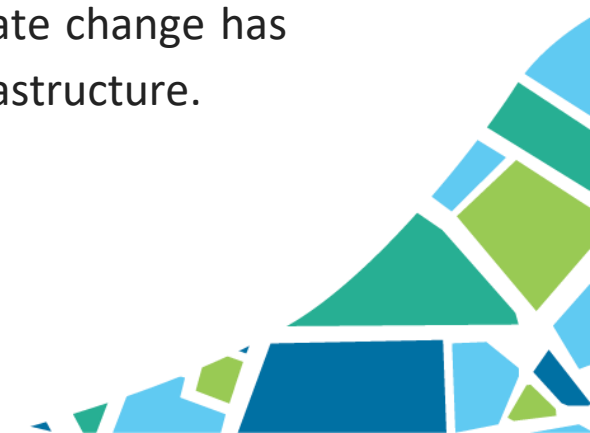
highlighting the role of cities as critical for climate action, as climate change has caused adverse impacts on human health, livelihoods, and key infrastructure.



CITIES CLIMATE
FINANCE
LEADERSHIP
ALLIANCE



CITIES & REGIONS
IN THE UNFCCC PROCESS



III. Provided information and progress in implementing the NMA

Global initiatives

to leverage opportunities towards a more resilient and sustainable development

- **The Cities Climate Finance Leadership Alliance (CCFLA)** with 86 members and supported by the German Government and UK.
- **The Leadership for Urban Climate Investment (LUCI)** - 12 global initiatives
- **FMDV's Global Alliance of Subnational Development Banks (SDBs)** encompassing 2 Regional Alliances of SDBs for Latin America and the Caribbean and for Africa
- Pipeline of financeable locally identified priority climate projects, such as the **ICLEI-led Transformative Actions Program (TAP)**, are critical to accelerate local climate action and there is an imperative need to deploy capital and invest in these pipelines: [Results of TAP 2015-2023](#).

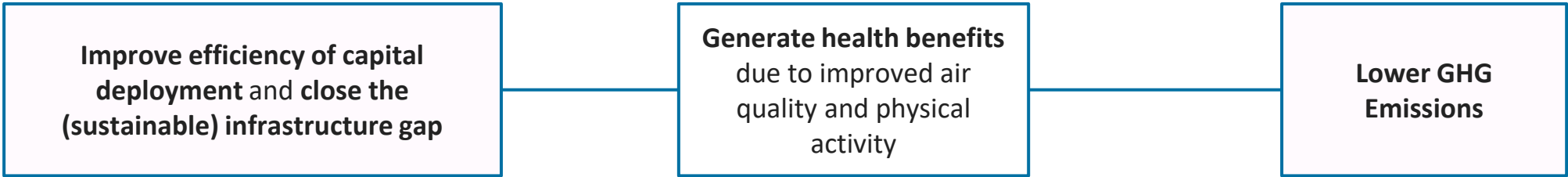
Compendium of Best Practices

on **accessing PPFs, innovative finance instruments to improve cities' resilience through a just and equitable transition.**



IV. Financial, technology and capacity-building support needed

- ❖ **National and subnational levels are interconnected.** Beyond the existing cities, the future urban cities in the Global South e.i., new Jakarta and new Cairo will be designed by national governments and developed with national funds for urbanization purposes. If **urbanization as a sector is acknowledged as NMA, sustainable urbanization could be achieved with increased public and private urbanization investments.**
- ❖ Support is needed to achieve **sustainable and integrated urban and territorial development planning, design and construction** to:



- ❖ The IFC estimates that urban sustainable **investment opportunities** in waste, water, renewable energy, electric vehicles, public transport, green buildings **in emerging markets alone amount to USD 2.5 trillion annually through 2030**

Key Takeaways

LGMA's Proposition

- 1. Sustainable and integrated urban and territorial development planning, design and construction should be acknowledged as NMA under the Paris Agreement**
- 2. Urbanization as NMA represents an eligibility opportunity for all developing countries, beyond LDCs, to obtain financial coverage for mitigation and adaptation urbanization processes**
- 3. Increased levels of collaboration and cooperation between all levels of government is necessary to promote integrated and sustainable urbanization financing.**

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