



Accelerating Climate Finance in Cities

A Briefing of CDP's Global
Snapshot

December 2023

in partnership with

CDP's 2023 Global Snapshot shows that the opportunity to invest in cities to address the climate crisis has never been greater.

CDP's Global Cities Snapshot is based on self-disclosed responses to CDP-ICLEI Track between April - October 2023, where local governments report climate-related projects that are currently seeking funding or financing. Over 1,100 cities, states and regions reported their environmental data through CDP in 2023.

Learn more and check out the full CDP Global Cities Snapshot – scan or click the QR code.



Key takeaways

In 2023, 636 cities disclosed a total of 2,346 climate-related projects worth US\$146 billion, seeking US\$65 billion in investment.

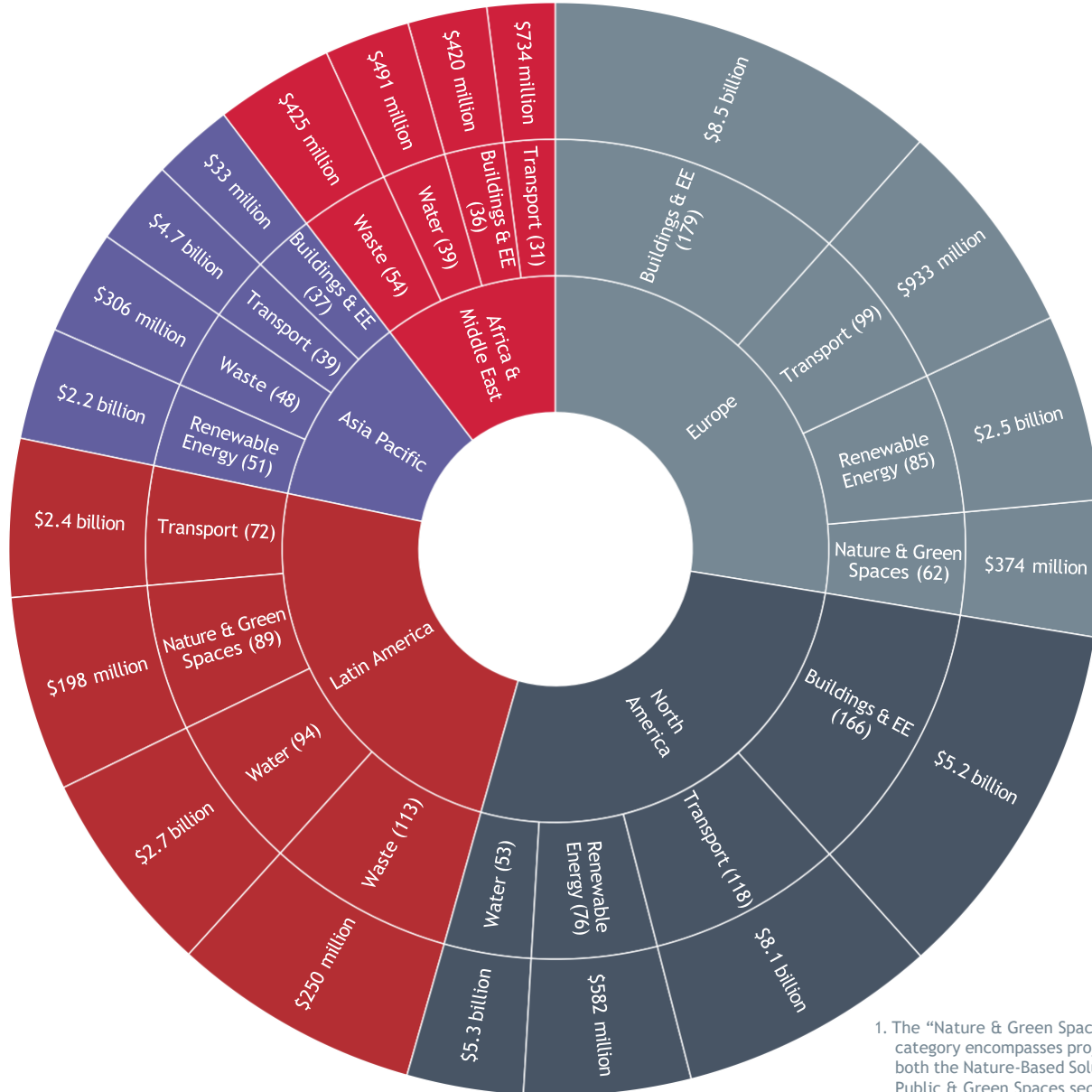
- ▼ Demand for climate finance in cities is increasing year-on-year. The 2,346 climate infrastructure projects reported through CDP-ICLEI Track in 2023 represent a 52% increase from 2021.
- ▼ Buildings & energy efficiency is the leading reported sector, with a total of 482 reported projects valued at US\$34 billion. Transport is the second largest sector (359 projects valued at US\$31 billion), followed by waste management (300 projects valued at US\$8 billion).
- ▼ Urban climate planning is critical to the development of actionable projects. The majority of cities that disclosed projects (79%) also have a climate action plan. Most of these cities are in the Global North, highlighting the need to accelerate climate action planning in low and middle-income countries in the Global South.
- ▼ Nearly half of these reported projects (48%) are at the early stages of development, underscoring the importance of technical assistance for project preparation, financing and implementation.
- ▼ 40% of reported project costs are small-scale, at less than US\$500,000, demonstrating a need for mainstreaming financial aggregation with the support and backing of national governments.

Calls to action

Given the scale of investments needed to reach climate and development goals, urgent and robust action is required from cities, national governments and financial institutions:

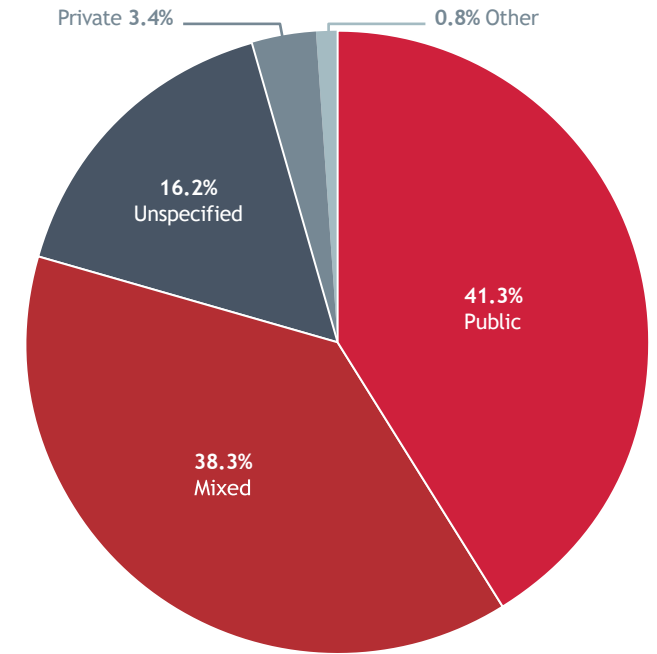
- ▼ Municipal accountability and transparency are paramount. Robust, accurate and timely disclosure of climate-related projects, alongside essential climate metrics, will bolster subnational ambitions and identify target areas for investment.
- ▼ National governments should integrate subnational projects into their investment plans to reach nationally determined contributions (NDCs) and protect at-risk populations. They should ensure that cities can access robust preparation support and direct funding and financing opportunities.
- ▼ The private sector and financial innovation are key to closing the sustainable infrastructure finance gap. The private sector should more actively support cities in developing the enabling conditions for private investment and collaborate with public financial institutions to catalyze finance at scale.
- ▼ More fit-for-purpose international and national financing mechanisms need to be established to de-risk and incentivize capital mobilization for city climate actions in low-income countries. Public financial institutions should be reformed in ways that facilitate more direct access to climate finance.

Top 4 Sectors (by number of projects reported) & total investment cost needed (in US\$).¹



1. The “Nature & Green Spaces” category encompasses projects from both the Nature-Based Solutions and Public & Green Spaces sectors.

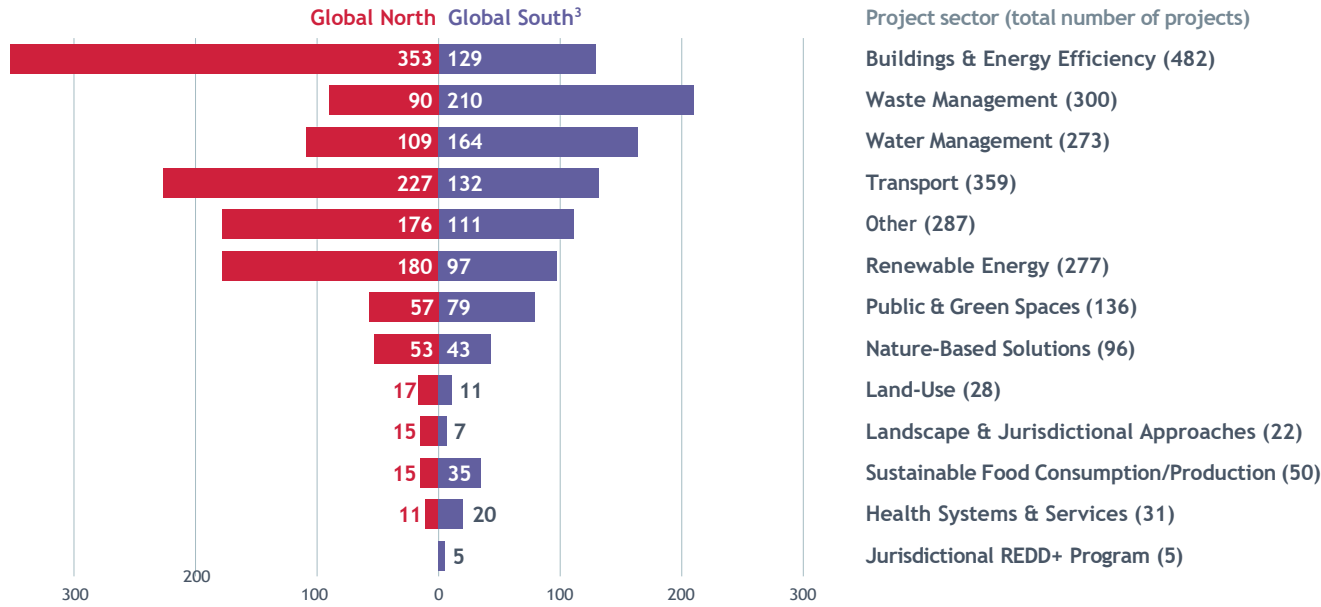
Percentage of projects by identified financing sources²



Identified financing sources	Number of Projects
Public finance (national governments; own-budget; municipal, national or regional fund)	736
Mixed - public & private finance	682
Unspecified	288
Private finance (private investment; commercial banks)	61
Other	15

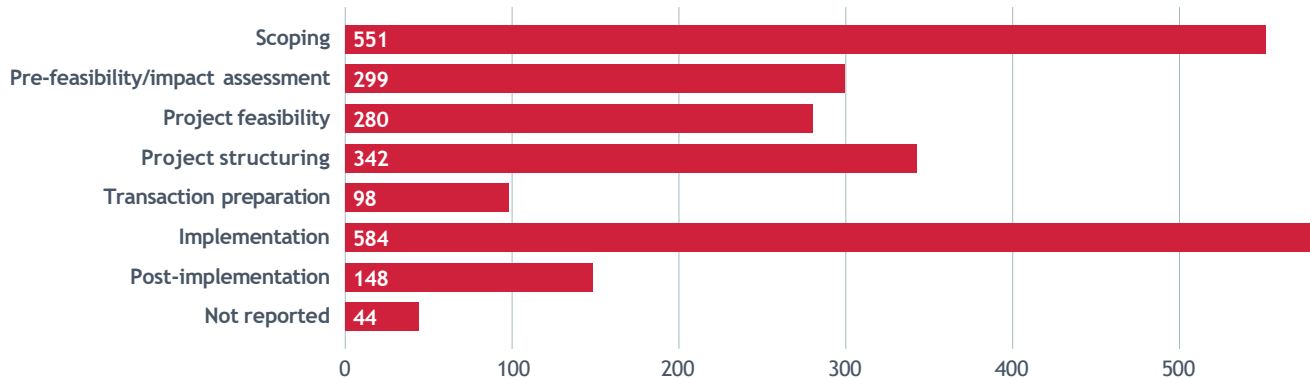
2. Only includes projects that reported an identified financing model.

Number of projects by sector

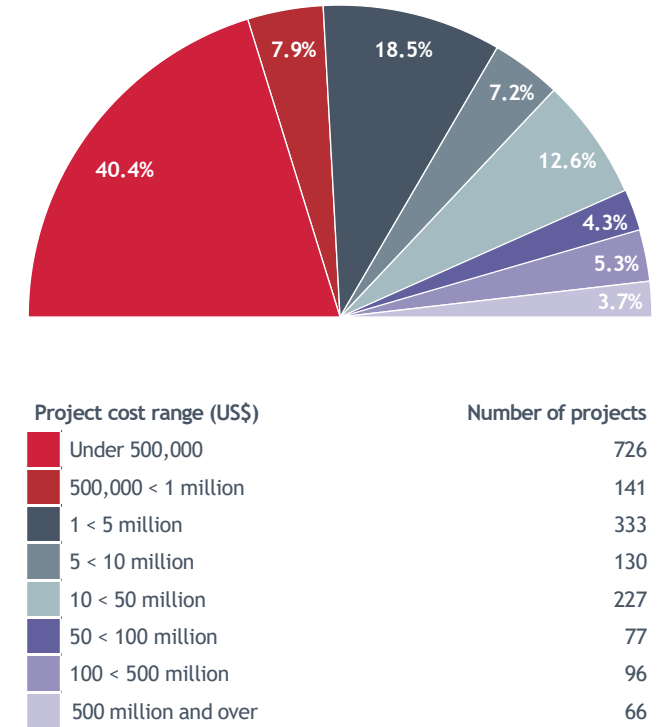


3. 'Global North' refers to the economically developed countries of the European Union, the UK, North America, as well as Japan, the Republic of Korea, Israel, Australia and New-Zealand. 'Global South' refers to the other countries located in Africa, Latin America, the Caribbean and Asia Pacific.

Number of projects by stage of development



Percentage of projects by cost range (in US\$)⁴



4. Only includes the 1,796 projects that reported cost estimates.

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