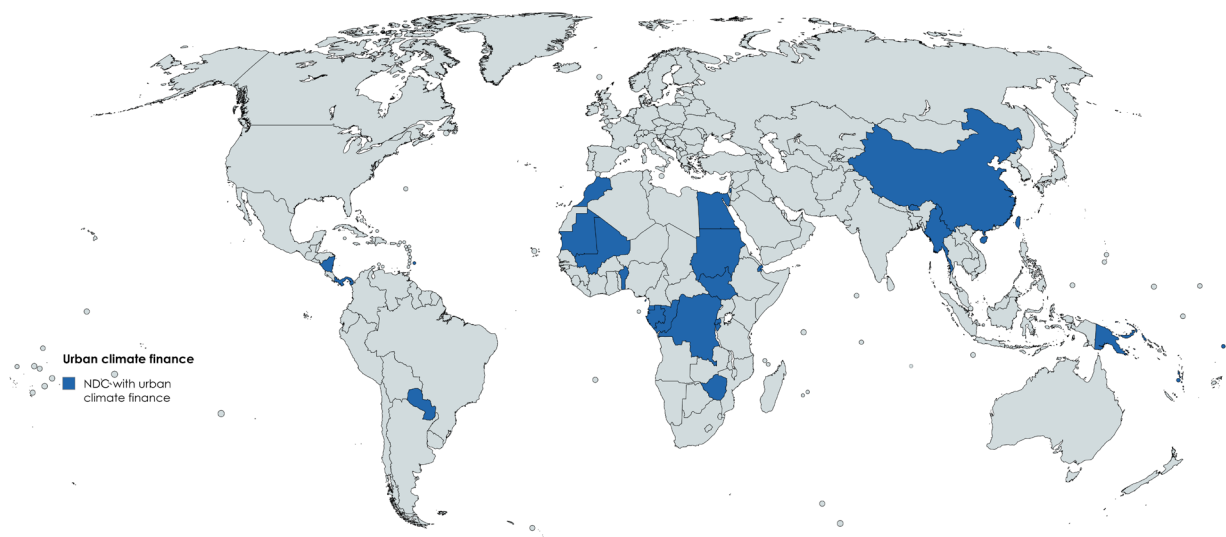




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# Exploring urban climate finance in the Nationally Determined Contributions



The Global Covenant of Mayors for Climate and Energy (GCoM) and the UNESCO Chair on Urban Resilience at the University of Southern Denmark (SDU.Resilience), have conducted research on urban climate finance in the Nationally Determined Contributions.

This research is linked to the review of the urban content of the Nationally Determined Contributions by UN-Habitat, SDU.Resilience and UNDP, in partnership with Bloomberg Philanthropies and C40 Cities Climate Leadership Group: [“Urban Content of NDCs: Local climate action explored through in-depth country analyses: 2024 Report”](#).

All 194 NDCs have been analyzed to investigate the urban-related focus on mitigation, adaptation, climate hazards and means of implementation (MoI), namely: finance, technology and capacity building. Later, a specific review on urban climate finance in the NDCs published until 28 August 2024 was realized, highlighting that:

1. 129 NDCs (66%) include cities. Specifically, 53 NDCs (27%) prioritize cities and 76 NDCs (39%) mention cities.
2. 45 NDCs (23%) are conditional, listing actions that require external support for its implementation. 55 NDCs (28%) are unconditional, listing actions to be implemented with own capacity/resources. The remaining 98 NDCs (48%) include both conditional and unconditional actions.
3. 141 NDCs (72%) identify climate finance needs (own and/or external) at national level, but only 26 NDCs (13%) identify climate finance needs at the urban level, signaling that urban climate finance is not adequately portrayed in the NDCs.
4. 160 NDCs (82%) identify technology needs at national level but only 7 (3%) at urban level. 155 NDCs (79%) identify capacity building needs at national level but only 9 NDCs (4%) at urban level.
5. Despite the difficulties to estimate the climate finance needs accurately distinguishing between national and sub-national level, the cumulative urban finance needs range between USD 30-43 billion.
6. Other key climate finance issues, such as cost of inaction and estimation of loss and damages are practically not included at urban level in the NDCs.

The NDCs that include urban climate finance are Barbados, Benin, Bhutan, Burundi, China, Congo, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Gabon, Mali, Mauritania, Morocco, Myanmar, Nicaragua, Panama, Papua New Guinea, Paraguay, Rwanda, South Sudan, State of Palestine, Sudan, Tuvalu, Vanuatu and Zimbabwe.

The portrayal of urban climate finance in the NDCs takes various forms. Some NDCs provide a comprehensive and detailed list of urban-level climate actions and related financial needs at urban level. Some NDCs define urban climate finance needs only for selected projects. Some NDCs define generic climate finance needs for specific actions/projects, that include urban components, without identifying specific climate finance needs.

Table 1. Examples of urban climate actions with an indicated budget in the NDCs

NDC	Urban climate action	Indicative budget (USD)
Egypt	Upgrading the Cairo metro network	6,400,000
Equatorial Guinea	Acquisition and popularization of the use of buses and stations for the urban and interurban collective transport to reduce emissions and private transport proliferation	64,770,578
Mauritania	Tramway de Nouakchott: In the context of improvement Urban Public Transport and given the spatial extension of the city of Nouakchott, this measure is a present priority	3,600,000
Rwanda	Landfill gas utilization: Extraction and utilization of landfill gas (LFG) for power generation in connection to semi- or fully-controlled landfills for urban areas. Reduced CH4 emissions from landfill sites and avoided CO2 emissions from displacement of fossil-based electricity use	28,000,000
Vanuatu	Vanuatu commits, by expanding decentralisation processes and renewed focus on municipal development, to boost urban-rural resource efficiency and build on municipality, ward and area council’s ambitious climate and resilience plans	5,550,000

## Highlights:

- 1.** The urban finance needs included in the NDCs are very limited, and estimates are much lower than urban finance needs estimated from other sources beyond the NDCs.
- 2.** To enable urban climate action implementation as a key conduit for achieving national goals and targets on mitigation and adaptation, finance needs at subnational level must be systemically included in the NDCs.
- 3.** Identifying and improving the measurement of urban climate finance needs in the NDCs can facilitate access to additional funding and financing from both public and private sources.
- 4.** Quantifying - at least in estimate - the cost of inaction as well as the costs of losses and damages at urban level can benefit climate action progress through multi-level governance.

The Global Covenant of Mayors for Climate and Energy and the UNESCO Chair on Urban Resilience at the University of Southern Denmark, in collaboration with UN-Habitat, will continue this research work to support the inclusion of urban climate finance in the NDCs and other national climate plans and policies, for example by:

- developing guidelines for strengthening the inclusion of urban climate finance in the NDCs;
- mapping key urban climate finance resources available;
- developing knowledge transfer and capacity building activities;
- supporting countries to strength the inclusion of urban climate finance in the next round of NDCs, through multi-level governance.

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