

A 5-YEAR VISION

WE MUST
CAN
WILL



Lima-Paris Action Agenda

A 2020 WORK PLAN

1. Why local and regional climate action is urgently needed

INSIGHTS FROM THE SCIENCE

Cities and regions play a central role in the global fight against climate change and its impacts. Staying under the 2°C pathway requires a deep societal transformation including a shift to equitable economic development models that incorporate innovative long-term thinking.

Particular attention is to be paid to the on-going rapid urbanisation phenomenon, which provides an opportunity to develop resilient and low-emission cities, avoiding lock-in effects. According to IPCC, urban areas account for 37% to 49% of global greenhouse gases emissions and are home to a growing majority of the world's population. Urban infrastructure's long lifespan means it is imperative to create resilient, low-carbon built environments.

The same need for smart infrastructure exists in regional and rural areas, which in many countries are endowed with expansive responsibilities and which face a host of resilience challenges.

Local and subnational governments are indeed vital actors implementing the transition to low-emission and resilient development. Through land use planning and regulation, transport and housing policies, waste management practices, consumption taxes and patterns, and other governance channels subnational regimes directly affect emission reductions and adaptation capacities. At the same time, mainstreaming climate change objectives into a broad suite of policies produces extensive co-benefits, as climate strategies help overcome other existing development challenges. As the New Climate Economy work has demonstrated, climate action has the power to make subnational spaces more productive, socially inclusive, resilient, cleaner, quieter and safer. Moreover, cities and

regions are in a position to scale up actions because these stages of governance engage a wide range of stakeholders, influencing inhabitants' behaviours and encouraging innovation.

Researchers have identified three main levers that cities and regions use to encourage innovation, create an enabling environment, and scale up subnational efforts:

1. **ADEQUATE DECISION SUPPORT TOOLS AND PLANNING INSTRUMENTS (ONLY 20% OF THE WORLD'S 150 LARGEST CITIES HAVE THE BASIC ANALYTICS NEEDED FOR LOW-CARBON PLANNING) ;**
2. **USE OF AND ACCESS TO ECONOMIC AND FINANCIAL TOOLS - INCLUDING DIVERSIFIED FUNDING, LOCAL ECONOMY ATTRACTIVENESS FACILITATING PRIVATE INVESTMENT AND A LOCAL POLICY OF CLIMATE -FRIENDLY AND RESILIENT PUBLIC INVESTMENTS,**
3. **DEPLOYMENT OF COLLABORATIVE GOVERNANCE ACROSS STATE AND NON-STATE ACTORS, AT ALL LEVELS, INCLUDING THE PRIVATE SECTOR.**



*urban areas account for
37% to 49% of global
greenhouse gases emissions*

2. Why we decided to work together

Leadership, mobilization of a broad range of stakeholders and collaboration are the only ways to bring local and regional transformation at scale.

The scientific facts are clear: local and regional levels concentrate both a large proportion of climate change challenges and also many solutions to these hazards, answers borne of catalytic, innovative, and people-centered stages of action.

Tremendous mobilisation of local actors has taken place since the year 2000. Subnational governments have demonstrated political vision and ambitious action in the last decade. The extent of the transformation needed now beseeches a wider mobilization. The levers that science recommends leaders to pull require symbiotic collaboration between all level of governance (national, regional and local) and between all local actors (elected representatives, financiers, companies, associations, and inhabitants).

Following President François Hollande's announcement to hold a city and subnational day at COP21, LPAA partners, working in tandem with local actors and consulting national delegations, have proposed a 5 Year Vision, with the intent

to align and draw resources to a group of key strategic objectives. Many actors have collaborated throughout the process. Within a year of mobilization, achievements have been exceptional across the board. This 5-year vision does not intimate to be at scale yet, nor to cover all sectorial challenges or address all local situations. The vision focuses on key, transformational conditions for success, and it will be further refined on the way to COP22 in Marrakech.

This dynamic has been designed to be and, we hope, This framework is designed to be dynamic and will remain a vivid, inclusive, forward-looking, action-oriented and people-centered network. As the action statement makes clear, this collaboration will take advantage of and build from international processes including Post 2015 outcomes, Habitat III preparation, the Sendai Framework for Action, and the UNFCCC future milestones.

3. What we commit to by 2020

TACKLING FOUR PRIORITIES FOR CHANGE

To accelerate action on the ground, national, subnational and local governments, public and private financiers and corporations, local stakeholders, donors and international organizations must do much more than the status quo.

By 2020, local action and partnerships should be the new norm globally. Commitments must grow immensely while initiatives and strategies should develop and converge to respond to new needs on the ground.

- 1. TO INCREASE THE SCALE AND NUMBER OF CITIES AND REGIONS' CLIMATE ACTION AND PLANS TO REDUCE EMISSIONS FROM HIGH-EMITTING SECTORS WHILE ENHANCING ADAPTATION TO CLIMATE CHANGE.**
 - Coverage is to include diverse local and regional contexts across all continents;
 - Ambition will be aligned with a below 2°C pathway;
 - Special emphasis will be placed on the areas facing rapid urbanisation to leverage their capacity to design and implement resilient, resource efficient and low carbon development strategies.
 - 2. TO BUILD CLIMATE RESILIENCE IN AS MANY CITIES AND REGIONS AS POSSIBLE WITH SPECIAL ATTENTION PAID TO THE MOST VULNERABLE CITIES, REGIONS AND POPULATIONS.**
 - 3. TO SCALE UP FINANCING FOR LOCAL AND REGIONAL INVESTMENTS; SPECIFICALLY:**
 - Accelerate financial support to local integrated policies, infrastructure strategies and programmes that enhance climate mitigation and resilience across all continents;
 - Improve access to sustainable finance for cities and regions.
 - 4. TO REINFORCE ACTION-ORIENTED DIALOGUE, PARTNERSHIPS AND POLICIES BETWEEN ALL LEVELS OF GOVERNMENT (NATIONAL, REGIONAL, PROVINCIAL, URBAN AND COMMUNITY-LEVELS). SPECIFICALLY:**
 - Local, subnational and national governments as well as international organisations will promote the scaling-up and acceleration of subnational sectorial alliances;
 - Develop new multi-level international partnerships;
 - Enhance national government relationships within existing international initiatives;
 - Support the exchange of knowledge and technology transfer between cities and regions around the world, including through decentralised cooperation.
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While keeping a consistent approach to inclusiveness, this work will build on certain transformational initiatives, in particular:

ON CLIMATE ACTION PLANS: the Compact of Mayors and the Compact of States and Regions, launched during the UN Climate Summit in September 2014; the Covenant of Mayors launched in 2008, developed to engage cities and regions globally on both emissions reduction and resilience planning; and the Under2MoU initiatives.

ON RESILIENCE: the Medellin Collaboration on Urban Resilience launched during the World Urban Forum in 2014; the Sendai Framework; and an intent to include all meaningful international action on resilience.

ON FINANCE: the Climate City Finance Leadership Alliance, launched during the UN Climate Summit in September 2014 by a robust mix of local, regional, national and international actors.

This effort will also play a full integrative role at local and sub-national levels for all relevant sectorial dynamics and initiatives, such as: mobilize your city in transport planning, the SE4All accelerators on energy efficiency (with specific attention to heating and cooling and lighting), the Building Alliance launched during COP21, the Municipal Solid Waste Initiative, the megacities alliance for water, and the e-mobility alliance.

In 2016, the objective will be to refine the quantitative goals and matrices.

For example:

ON PLANNING

Contemplated indicators should look at population living in cities or provinces engaged in a climate action plan.

ON RESILIENCE

Resilience is a necessity for everyone, every city and every region. It is an instrument to combat poverty and protect the most vulnerable, to secure our environment and foster prosperity. Fifteen years from now, 60 per cent of the global population will live in urban areas. These cities will come in all shapes and sizes, from mega-metropolises to towns that actively maintain and strongly rely upon rural-urban ties. The vision for this urban future depicts a world in which resilience thinking is embedded in everyday practice, planning, and investments at individual, community, and institutional levels.

By 2020, the goal is to significantly scale up the number of cities and regions committed to building resilience into their infrastructure, and the plan to achieve this goal includes expanding the reach of several ongoing international initiatives, which are guided by this common vision.

ON FINANCE

Specific goals should orient around the major challenges faced by local and regional climate action, and in turn targeted by States, bilateral and multilateral development banks as priorities for support:

- Planning, be it global planning or sector-related planning,
- Project preparation (diagnosis, feasibility studies, needs assessments, etc)
- Financing (approaches and instruments, including an ecosystem of blending finances)• Credit worthiness, capacity building

4. From commitment to action: what we have achieved in the past year

4.1. A ground-breaking mobilisation of local and sub-national governments, with 1 billion inhabitants in cities and regions involved in planning for climate.

Building on regional initiatives, including the Covenant of Mayors in Europe and the US Conference of Mayors Climate Protection Agreement, the Mexico City Pact accelerated momentum in 2010. With the launch of several initiatives like the Compact of Mayors and the Compact of States and Regions, the 2014 UN Summit on climate change generated a powerful movement. In Seoul, Paris, Yamoussoukro, Rhone-Alpes, Ontario, Hanover, Los Angeles, Bogota, Quezon City and Johannesburg among others, regional and world conferences played a crucial role in 2015 further mobilising subnational governments and raising awareness on local solutions and strategies to tackle climate change. In September 2015, the US-China Climate Leaders' Declaration embarked 18 American States and cities as well as 11 Chinese cities in establishing GHG emissions targets, inventories and action plans. This worldwide platform creates a very positive and robust basis for subnational actors to go beyond current commitments.

Gathered at Paris's city hall on 4 December 2015, about a thousand local elected officials recalled their commitments to action on the ground and discussed their power to accelerate transformation toward low emission, resilient and sustainable economies. These leaders committed to ground-breaking mobilization for GHG emission reduction. In their declaration and summary report, they agreed to take bold action to further "adapt, curb and engage".

Overall, 2255 cities and 150 regions have reported their commitments on the Non State Actor Zone for Climate Action portal (NAZCA). This represents 1.25 billion people - about 17% of the world global population.

MAJOR DYNAMICS INCLUDE:

1. AMBITIOUS ACTION BASED ON PARTNERSHIP INITIATIVES

- The Covenant of Mayors: Over 6,600 local and subnational governments, representing more than 200 million inhabitants, are committed to meet and exceed the European Union 20% CO₂ reduction objective by 2020. The average 2020 CO₂ reduction objective of Covenant Signatories is 28%. In 2015, a new integrated Covenant of Mayors for Climate and Energy was launched, with 2030 targets for European signatories: reducing carbon emissions by at least 40% through improved energy efficiency and greater use of renewable energy sources, increasing resilience to the impacts of climate change, and providing access to sustainable and affordable energy. The Covenant of Mayors has expanded to other regions of the world - Africa, South Mediterranean, Latin America and China, in particular, with specific objectives for each region.
- The Compact of States and Regions: Launched in New York, it now accounts for 44 States and regions governments, spanning 18 different countries across 6 continents, reporting their climate commitments and GHG inventories.
- The Compact of Mayors, as of November 2015, included 360 cities representing more than 366 million people worldwide - about 4.6% of the global population. In the Compact, cities pledge their commitments to take ambitious climate action, to track and publically report their progress annually, and to utilize a common standard of measurement. By 2020, all currently committed cities are expected to have completed a GHG inventory and a climate risk and vulnerability assessment.
- The Under 2 MOU brings together provinces and regions committed to either reduce greenhouse gas emissions from 80 to 95% below 1990 levels by 2050 or achieve a per capita annual emission target of less than 2 metric tons by 2050. To date, 43 jurisdictions (states, regions, cities and nations) in 19 countries and five continents have

signed or endorsed the MOU. The signatories represent more than \$13.6 trillion in GDP and 474 million people.

- Carbon neutral cities alliance: To date, 17 major cities signed up and committed to reduce greenhouse gas emissions by at least 80 percent below 2000 levels by 2050 or sooner. All of these cities are also committed to the Compact of Mayors and will therefore be tracking the impacts of these commitments annually.
- The Pacific Coast Collaborative unites the U.S. states of California, Oregon, and Washington, and the Canadian province of British Columbia in building a thriving, low-carbon regional economy. Together these jurisdictions encompass a population of 54 million people and GDP that would be 5th largest in the world among nations. Working closely with cities, the PCC is taking action to meet greenhouse gas reduction targets equivalent to 80 percent by 2050.

Beyond these initiatives, cities and regions have launched and participated in multisectoral efforts inaugurated as part of the Lima-Paris Action Agenda (a good example is the C40 Clean Bus Declaration, which, as of November 2015, includes 25 cities representing a global market of 40,000 low-emission buses have declared their intent and the potential volume of buses they would like to procure by 2020; see section 4.3. for initiatives involving technical assistance).

2. ENHANCED ACCOUNTABILITY THROUGH REGISTRATION PLATFORMS FOR INDIVIDUAL COMMITMENTS

- The carbonn Climate Registry (cCR) was launched in 2010 at the World Mayors Summit on Climate in Mexico City. cCR is a global forum that allows local governments to publicly report climate action commitments, emissions inventories, sectoral pledges and initiative progress. To date, cCR has recorded commitments from 524 local and regional governments. These commitments are either city-wide targets or sectorial.
- The CDP provides a system for companies, cities and states to measure, disclose, manage and share vital environmental information. This year CDP helped 333 cities and 65 states and regions.
- With the help of the LPAA partners, major data providers (existing platforms, as well as the covenant of mayors) that fulfil robustness criteria are now connected to NAZCA.

3. CONVERGING EFFORTS ACROSS INITIATIVES

- The Compact of Mayors and the Compact of States and Regions established a partnership in September 2015 to ensure coordination across levels of government where cities, states and regions have made commitments.
- On December 2015, a new partnership was announced between the Covenant of Mayors and the Compact of Mayors aligning the two most significant global efforts that support cities in developing action plans and measuring their impacts. The partnership's goal is to strengthen synergies and promote a shared vision. The Compact will focus on consistent and transparent data collection and reporting with a connection to United Nations, while the Covenant focuses on developing the institutional political processes that make effective action possible. Together they will move towards standardizing procedures to increase international accountability and creating a permanent Compact-Covenant working group.

4.2 Building cities and regions climate resilience, with a focus on the most vulnerable : initiatives gathering hundreds of cities and regions are developed

Since 2011 and the launch of the Durban Charter for adaptation, mobilization for resilient subnationals has scaled up, resulting from the work of a diverse set of actors: cities, regions, countries, international organizations, insurance companies, foundations, NGOs, etc. The Medellin Collaboration on Urban Resilience launched in 2014 and a wide mobilization campaign by UNISDR on “Making Cities Resilient: My city is getting ready” has helped raise awareness.

Within a year, an extraordinary number of concrete and operational initiatives have flourished, from many actors and across regions of the World, with an enhanced attention to the poorest populations. These efforts form the foundation of a full-fledged strategy on resilient cities and subnationals based on 5 core dimensions:

- a global international momentum, launched in Sendai, to enhance climate adaptation at the local level;
- hundreds of cities and regions are developing adaptation plans, with the first ever climate adaptation initiative focused on regions and provinces;
- an increased emphasis on increasing resilience in informal settlements (1,3 billions people people will live in informal settlements by 2030);
- an increased commitments to climate adaptation financing and capacity building on climate adaptation in cities globally;
- improved monitoring of climate adaptation commitments.

THE MAIN INITIATIVES COMPRISING THIS MOVEMENT ARE :

- The Regions Adapt Initiative, launched during COP21. Subnational governments commit to adopt a strategic approach to adaptation and prioritize adaptation actions, through, for example, adopting or reviewing a regional plan on climate change adaptation within two years of joining the initiative. They commit to take action in at least one priority sector and to report data on the progress of the adaptation actions on an annual basis through the Compact of States and Regions reporting platform.
- Mayors adapt: launched in 2014, this European commission initiative requests participant cities to either develop a comprehensive local adaptation strategy or integrate adaptation to climate change into existing plans, submit an adaptation plan and report on its implementation. The effort accounts to date for 137 European signatory cities. Since September 2015, it is fully part of the Covenant of Mayors, which has gone global.
- A Megacities alliance for water and climate, which involves 10 megacities taking individual actions in building resilient water systems, as well as networks and international organizations, such as ICLEI and UNESCO forming a platform of knowledge exchange.
- The Joint Work Programme (JWP) on Resilient Cities: in partnership with the Cities Alliance, organizations have, in 2015, committed to a new Joint Work Programme (JWP) on Resilient Cities, supported by a \$900k grant. With the support of the JWP members, Cities Alliance has proposed to increase the resilience of informal settlements in at least 500 cities by 2020. The goal complements UN-Habitat’s ongoing work in its Participatory Slum Upgrading Programme in Africa, Caribbean and Pacific (ACP). To date, 160 cities are engaged in this partnership between the ACP Secretariat, UN-Habitat and the EC, with a view to have 200 cities with citywide slum upgrading strategies for inclusive and resilient cities.
- 100 Resilient Cities Challenge: To date, 67 cities have committed and received support to develop a roadmap to resilience, for which they will gather financial and logistical guidance

for hiring a Chief Resilience Officer (CRO) and developing a resilience strategy.

- The Climate Risk Assessment Framework and Taxonomy (CRAFT) launched at COP21 by C40 Cities and partner organizations, will allow from January 2016 all cities committed to the Compact of Mayors (342 to date) to report and assess their climate hazards and risks through a common, global and standardized framework

and vocabulary. \$260K USD have been invested in this initiative in 2015. The platform was developed through a partnership with the Compact of Mayors, the Medellin Collaboration, and a steering committee of over 15 global cities.

Megacities alliance for water and climate involves 10 megacities taking individual actions in building resilient water systems.



4.3 Scaling up financial solutions - an acceleration in mobilization

Urban financing and infrastructure investment is critical to ensure a shift to resilience and low emissions development. Cities and subnational governments, however, face distinct challenges in accessing finance to achieve their climate and development goals.

Recognizing these challenges, the international community is working together to develop solutions, ranging from improving cities and subnational governments' planning capacity, providing these jurisdictions with project preparation facilities, strengthening municipal and regional financing, exploring innovative financial mechanisms and structuring international collaboration.

(I) INCREASED TECHNICAL ASSISTANCE FOR CLIMATE PLANNING AND SECTORAL POLICIES:

A 60 MEUR GRANT PROGRAM LAUNCHED BY THE EUROPEAN COMMISSION TO SUPPORT CLIMATE PLANNING

Based on the experience from projects implemented in Central Europe and in the Mediterranean region, the European Commission has supported the expansion of the Covenant of Mayors initiative worldwide with grants amounting to EUR 60 million, as of 2015. The overall objective is to increase the capacities of cities to provide sufficient, sustainable and safe energy services to urban populations. The first Global covenant of Mayors program will be in Africa, funded with a EUR 10 million grant, aimed to enhance energy efficiency and access to sustainable energy in sub-Saharan African cities, and to foster international urban cooperation.

Launched in 2014, the GEF 150 MUSD Sustainable Cities Integrated Approach Pilot promotes urban planning across different sectors, incorporating resilience and low carbon projects.

A WIDE DYNAMIC TO ENHANCE SECTOR TRANSFORMATION AT LOCAL AND SUBNATIONAL LEVELS

To deepen transformation, a body of international and sectoral initiatives with 2020 targets have launched or increased their ambition throughout the LPAA sequence. Together they tackle all the major climate and resilience issues at stake for cities and regions. Nearly all efforts involve some technical capacity financing.

- MobiliseYourCity supports local governments in developing countries to plan sustainable urban mobility in order to develop more inclusive, livable and economically efficient cities and reduce GHG emissions. By 2020, 100 cities and 20 developing and emerging countries will be engaged in deep transformational actions

through the implementation of Sustainable Urban Mobility Plans (SUMP) supported by National Sustainable Urban Transport Policies (NUTP). MobiliseYourCity aims to assist cities in their efforts to cut at least 50% of their urban transport related emissions by 2050 compared to business as usual. A pilot phase launched at COP21 will support in 2016 12 cities and 8 countries from Africa, South Asia, South America and Middle East through direct financing, technical assistance, capacity building and city-to-city cooperation.

- Global energy efficiency accelerator, including on lighting, cooling and heating, and building: 32 cities are part of the accelerator, launched by SE4All, UNEP and GEF to support city, state, regional and national governments in speeding up adoption of best practice policies and implementing building efficiency projects. The effort aims to double the level of energy efficiency worldwide by 2030 through private-public partnerships.
- The CCAC Municipal Solid Waste Initiative supports 30 cities from the Global South and is committed to address methane and black carbon emissions from the municipal solid waste sector. The cities get support for transitioning to sustainable waste management options. By 2020, 100 cities are targeted to make firm actions and 1,000 cities to engage on the subject.
- Also, the Global alliance for building and construction launched at COP21 takes on a major urban challenge. Networks, including ICLEI and Energycities, are members of the alliance.
- Also, the Global alliance for building and construction launched at COP21 encompasses one of the major urban challenge. Networks, such as ICLEI and Energycities are part of the dynamic.

AN INTERNATIONAL EFFORT TO DEVELOP SUPPORT TOOLS AND DATA PLATFORMS

Only about 20% of the 150 largest cities have the most basic analytic capacity needed for low-carbon planning. In this context, developing and sharing methodology toolkits and knowledge is crucial to disseminate best practices. Various institutions have contributed, including:

- UN-Habitat, whose Guiding Principles for City Climate Action may serve as a common benchmark for all city-level climate action planning and is endorsed by 45 partner organizations.
- The World Bank, which developed (i) scenario-planning (Climate Action for Urban Sustainability (CURB)) to help cities prioritize carbon abatement actions and investments based on cost, feasibility, and impact on energy use and GHG emissions, (ii) the City Climate Planner certification program, which demonstrates how to conduct local GHG emission inventories, the foundation of a climate action plan (to be launched in 2016), and (iii) a combined land use, transport, and energy model that allows users to project energy use and emissions that result from different scenarios of spatial development (the RACE model). This model showed, for instance, that more compact city development in the Bucharest region could achieve a 39% decrease in local GHG.
- The World Council on City Data (WCCD), which has built a standardized reporting platform on Indicators for City Services and Quality of Life, provides comparative GHG emissions data and also benchmarking between cities in key climate mitigation and adaptation solution areas, such as energy, transportation, waste, urban planning and public health.

(II) INCREASED PROJECT PREPARATION AND INITIATIVES TO FACILITATE PROJECT EMERGENCE

Many subnationals lack experience in project preparation, including project management and procurement, identification of climate-finance instruments and green technologies development. Some financial institutions have launched a project preparation facility program, and more initiatives are in the planning process.

- The French Development Agency (AFD) has announced a “Cities & Climate” program which will take over urban climate strategies and turn them into concrete urban projects. By 2020, AFD will support 100 cities worldwide in the

preparation and financing of projects with climate co-benefits. The program is based on four regional initiatives. Within each initiative, regional funding facilities will help develop projects with grant money while investments will be financed via loans.

- C40 launched the C40 Cities Finance Facility at COP21, supported by IDB and GIZ with 5,7 MUSD. This initiative aims to deliver financing to bring to market more than US\$1 billion of sustainable infrastructure projects. These projects will lead to significant emissions reductions and catalyze further action through sharing of good practices within C40’s global network and beyond.
- Launched in April 2015, the Transformative Actions Program (TAP), led by ICLEI, aims to support the development, implementation and monitoring of climate projects (both mitigation and adaptation).

(III) INCREASED AND NEW FINANCIAL INSTRUMENTS

INFRASTRUCTURE FUNDS

- The Global Infrastructure Facility (GIF) is an open platform that facilitates the preparation and structuring of complex infrastructure public-private partnerships (PPPs). GIF became operational in April 2015, with an initial capitalization of US\$100 million. The Facility coordinates and integrates the efforts of Multilateral Development Banks (MDBs), private sector investors and financiers, and governments. Its efforts will have a significant impact on urban infrastructures.
- The European Investment Bank, partnering with the Caisse des Dépôts, will provide a 2bn€ credit line for small and medium-scale projects of less than EUR 25million promoted by local and subnational governments. The EIB’s financing will help to improve access to long-term finance for small-scale investments, particularly for energy efficiency measures on buildings, water supply and waste water management networks, social housing and measures to limit the effects of climate change. The European Investment Plan is open to cities supporting sustainable transition projects and willing to access EUR 315 billion to be pumped in the European economy.

PILOTING INNOVATIVE FINANCIAL MECHANISMS TO STRENGTHEN MUNICIPAL FINANCE

The lack of access to financing and credit is a major barrier for cities throughout the world. Only 4% of the 500 largest cities are creditworthy in international markets and only 20% have a domestic credit rating, impeding cities' abilities to finance sustainable infrastructure. Cities and subnational governments face distinct challenges that impede their ability to access financing. Some initiatives are developing or have recently launched new pilot financing tools for cities for 2015 to 2020.

- City creditworthiness as a key support priority: With the City Creditworthiness Academy (CCA), the World Bank aims to strengthen the financial performance of urban local governments and prepare them to tap domestic/regional capital markets without a sovereign guarantee. Technical assistance is provided to cities to enhance own-source revenues, debt management, capital investment planning, understanding of creditworthiness, project development, and other pertinent financial topics. CCA has already trained more than 500 municipal officials from 185 cities in 25 countries.
- The World Bank is exploring an investment vehicle designed to pool financing of urban energy efficiency projects across cities with different risk profiles to aggregate investments and enable issuance of green bonds, with the savings from increased energy efficiency covering both the principal and the interest.
- The Green City Bonds Coalition aims to grow an international Green City Bond market, involving major cities and municipalities in developed countries and emerging markets. With the support of development banks, this will become a major new market, creating municipal capabilities to raise capital for green infrastructure projects. The first step involves a pilot program with 6 to 10 big cities.
- The Western Climate Initiative (WCI) brings together the Québec cap-and-trade system for greenhouse gas emission allowances and the California carbon market. Launched in 2014, WCI covers 85% of total emissions and is expected to achieve 40% of Québec's reduction objective (pulling emissions down to 80% of 1990's level) while generating around \$3 billion of additional revenues. California aims to cut its emissions to equal its 1990's level. New North American partners are expected to join, and a new collaboration between Canadian provinces will also be launched during COP21.

SOME PILOT APPROACHES HAVE BEEN LAUNCHED FOCUSING ON STANDARDIZATION AND LABELING TOOLS AND INNOVATION IN FINANCING

- In response to one of the key recommendations from the State of Cities Climate Finance report, the CCFLA and the Massachusetts Institute of Technology (MIT) will launch the first global City Climate Finance Innovation lab. The Lab will challenge groups of contestants to innovate urban climate finance mechanisms designed to bring funding to city and subnational climate initiatives through the most efficient and outcome-oriented means. In addition to the lab, CCFLA is launching the Bangkok-Johannesburg Blueprint for City Climate Finance, a platform for international private finance mobilization via innovative regional workshops.
- SuRe - Standard for Sustainable and Resilient Infrastructure - developed by GIB (Global Infrastructure Standard) and its stakeholders as a private sustainability standard for infrastructure project certification.
- With the Gold Standard Sustainable Cities Program, Gold Standard Foundation is developing a tool to maximize the impacts of climate and development interventions through robust standards that lead to responsible management of the planet's resources and transformative benefits to communities around the world.

(IV) SHARING KNOWLEDGE ON BARRIERS, SOLUTIONS, AND RECOMMENDATIONS

With the State of Cities Climate Finance report, CCFLA members (cities, banks, national governments and civil society organizations) developed the first assessment of the barriers and solutions to accelerate climate financing flows to cities globally. The report makes five recommendations for mobilizing investment in low-emission, climate-resilient urban infrastructure

1. Urge national governments to adopt policies and incentives that encourage cities to invest in low-emission and climate-resilient infrastructure.
2. Support cities in adopting frameworks that put a price on climate externalities, such as cap-and-trade mechanisms.
3. Strengthen facilities that can support cities in developing investment-worthy climate action projects.
4. Direct international development finance through local financial institutions, which are well positioned to help cities finance climate-smart infrastructure solutions.

5. Create a network of labs to innovate new financial instruments and funding models.

The report, an annual publication, was launched during COP21 and is the first comprehensive global assessment of the subnational and urban climate finance sector. It will be replicated annually by 2020.

4.4 Toward an integrated multilevel climate action

National, state, provincial, and municipal governments are increasingly aligning climate policies and strengthening resilience-building efforts at all levels. This monumental task requires ambition and action to integrate multi-lateral institutional priorities with those of nations, provinces, cities, and individual households, thereby leveraging organizational, regulatory and funding power from the top to enact local resilience-building programs and reach individuals.

We see this paradigm taking root and growing in various forms, as national governments join with multi-national organizations, provinces, and cities to develop vertically aligned climate policies, goals, and initiatives.

RECENT INITIATIVES LAUNCHED AS PART OF THE PREPARATION FOR COP21 INCLUDE :

- Recently launched national initiatives: in India, for example, taking advantage of Rajasthan and Gujarat's solar power production leadership, Prime Minister Modi officially expanded India's national target to 100 gigawatts by 2022 earlier this year. And more than 200 French local and subnational governments were labeled "Territoires à énergie positive" (zero net energy territories) in 2015, receiving each a EUR 500,000 grant.
- Part of a broad trend towards increased decentralized cooperation, the South-South Cooperation on Climate Change (SSCCC) platform launched at COP21. A partnership between China and the UN, the SSCCC includes low emission urban infrastructure and cooperation as one of its priorities. Through partnerships between cities, national governments, private and public finance institutions, the platform will catalyse global

financing, innovations and capacity for climate change solutions in cities throughout the global south. The sectors this platform will address include transportation, energy, industrial zone restoration, water conservation and quality, adaptation and green buildings.

- The strengthening of multilevel international initiatives and partnerships. The best example of it is the CCFLA, with national and local representatives, as well as finance institution, international organizations and NGOs in its Board. Other emerging initiatives or strategic frameworks are taking the same path (egs, the alliance on buildings, the Mobilize your city initiative, and the emerging strategy on resilient cities). This 5 year vision is itself the result of a multilevel partnership.

By 2020, multilateral cooperation should be developed further in various ways.

5. GOVERNANCE AND WAY FORWARD : A WORK PLAN TO BE FINALISED IN 2016

A group of organisations with varied structures has jointly produced this vision, with contributions from local and subnational government networks, States, international organisations and donors, in preparation for COP21. Following announcement during the COP21 cities and regions focus on 8 December 2015, the vision's objectives and action streams will be further developed, and the framework will be finalised by COP22. This process will be completed with as many organisations as possible participating on a voluntary basis. Governance principles will be agreed upon by the group in order to take stock of, report and review actions by 2020. The agreed governance shall be consistent with the broader Lima Paris Action Agenda and with the COP21 outcome.

In order to carry out this work, we will take full advantage of existing international initiatives, such as the City Climate Finance Leadership Alliance, with established governance, and the Habitat III perspective.

EACH OF THE FOUR PILLARS FOR ACTION WILL BE DEVELOPED USING EMERGING PRINCIPLES AND CONVERGING INITIATIVES::

- Increasing the number and scope of cities' and regions' climate action plans will be possible with growing ambition of international initiatives in every region of the world and growing convergence, including the partnership between the Compact of Mayors and the Compact of States and Regions,
- Growing efforts on climate resilience will be channeled through the Medellin Collaboration on Urban Resilience and the Cities Alliance Joint Work Programme,
- The City Climate Finance Leadership Alliance will serve as an umbrella, with a settled Secretariat, for reporting on the state of climate finance flows on a regular basis and linking the supply and demand sides,
- Vertical integration is so far the weakest link. The Habitat III discussions will, however, be instrumental in spurring progress on this issue and the UN system may facilitate a more collaborative approach to this work.

FORTHCOMING INTERNATIONAL GATHERINGS

- Habitat III preparatory meetings - including Meeting on Renewable Energy in Abu Dhabi (January 2016), Meeting on Financing Urban Development in Mexico City (March 2016), and the 3rd Preparatory Committee Meeting in Surabaya, Indonesia (25-27 July 2016).
- Habitat III Conference in Quito, Ecuador (October 2016).
- Nantes Summit, September 2016



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