

## How cities can focus their climate adaptation and resilience actions

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*March 2 2023*



**More than half of the world's population lives in cities - and all are at risk from increasing climate change impacts ( floods, storms, extreme temperatures, among others) due to warming at alarming levels. This means that communities, the built environment and economies are exposed. Lower- and middle-income countries experience worse scenarios, with amplified impacts for vulnerable groups, the poor, women, children, and the elderly, exacerbating poverty and undermining development.**

Adaptation to the changing climate is urgently needed to protect the health and well-being of populations, avoid significant economic impacts, with loss and damage to assets and services, as well as to conserve natural ecosystems. **City action on adaptation and resilience is key to providing the opportunity for communities to prosper during the climate emergency.**

### **High impact adaptation solutions for budget-constrained cities**

Cities around the world are already taking action to adapt to climate change. Despite these efforts, many cities in lower- and middle-income countries deal with budget constraints and competing priorities, as well as decision-makers' preference to invest in actions that demonstrate short-term

benefits. Given this context, **it is important to guide decision-makers and planners on which adaptation actions bring the best results regarding climate risk reduction and cost-effectiveness**, allowing cities with limited resources to prioritize no-regret measures. According to a [study led by C40 Cities and McKinsey \(2021\)](#), nature-based solutions (NBS) and enhancing systemic resilience in planning and urban systems are optimal solutions.

Nature-based solutions take advantage of the natural ability of ecosystems to reduce climate risks, such as coastal protection using mangroves or tree planting to reduce heat. **Implementing these solutions is cost-effective and promotes climate resilience**, as they use existing natural systems that are protective against climate impacts and bring multiple benefits, such as improved air and water quality, healthier ecosystems, carbon sequestration, and economic benefits, such as green jobs. NBS can be integrated into grey infrastructure, often at a lower cost than conventional infrastructure.

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**Cities should enhance systemic resilience by integrating climate risk reduction into their city planning and operations and preparing for present and future climate risks.** To do this, actions should focus on climate risk awareness - based on climate risk and vulnerability assessments; incorporate an adaptation lens on urban expansion planning and infrastructure design; improve building standards; provide effective emergency response systems, especially adopting early warning systems in highly risky zones; and integrate an adaptation lens on financing programmes and insurance.

Experiences in cities show that this approach is low-cost, **while protecting people's lives and reducing economic costs**. One example is [Rio de Janeiro's \(Brazil\)](#) implementation of warning systems among low-income communities in areas exposed to landslides and flooding. Another is [Ahmedabad's \(India\)](#) public awareness and community outreach programmes, and its implementation of early warning systems in low-income communities, to increase cities' resilience to extreme heat.

## **How the international development finance community can support city resilience**

The efforts developing cities are making to advance adaptation are notable. However, financing for adaptation projects remains a significant barrier for cities. International climate finance for the adaptation agenda remains low compared with the climate mitigation agenda. **The international development finance community can help cities overcome the barriers that hinder investment in adaptation projects - resulting in transformative benefits to communities - by providing direct funding support to cities.** One recommendation would be to provide funding to support projects in their early stages.

The Gap Fund initiative of the World Bank and European Investment Bank is an example of this good practice. **Hence, it is critical to avoid projects dying early on and to build a pipeline of projects that can attract private investment.** Additionally, projects with an innovative NBS approach need to be supported with de-risking instruments. Development finance institutions (DFIs) and the donor community can provide specific small grants to implement pilot projects, so they have proven experiences that can be scalable in the future.

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Finally, **lack of data and risk assessments, as well as a lack of on-site expertise, remain significant barriers to risk awareness and political buy-in.** City networks such as C40 Cities, ICLEI and the Global Covenant of Mayors have proven that working with local parties building capacity and political leadership has been vital in leading change towards more ambitious climate action. DFIs and bi- or multilateral-donors can support and partner with climate-focused city networks to scale up technical capacity building and local political engagement.

**Despite the challenge imposed by climate change, cities in lower- and middle-income countries have an opportunity to develop resilient pathways to healthier, greener, and safer cities focused on reducing vulnerability and building social inclusion.** Cities need support in overcoming barriers to investment in adaptation projects. In this regard, the international development finance community has a crucial role to play by paving the way for, and encouraging greater private sector engagement, enabling adaptation projects to flourish.

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