



Assessing **National** Enabling Framework Conditions for Urban Climate Finance

A Tool and Guide by CCFLA and Urban-Act

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ABOUT THE CITIES CLIMATE FINANCE LEADERSHIP ALLIANCE (CCFLA)

The Cities Climate Finance Leadership Alliance (CCFLA) is a coalition of leaders committed to deploying finance for city-level climate action at scale by 2030. Trillions of dollars will be required to help cities build the low-emissions, resilient infrastructure necessary to combat and react to climate change. The Cities Climate Finance Leadership Alliance is the only multi-level and multi-stakeholder coalition aimed at closing the investment gap for urban subnational climate projects and infrastructure worldwide.

ABOUT UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC (ESCAP)

The Economic and Social Commission for Asia and the Pacific (ESCAP) is the most inclusive intergovernmental platform in the Asia-Pacific region. The Commission promotes cooperation among its 53 member States and 9 associate members in pursuit of solutions to sustainable development challenges. ESCAP is one of the five regional commissions of the United Nations. The ESCAP secretariat supports inclusive, resilient and sustainable development in the region by generating action-oriented knowledge, and by providing technical assistance and capacity-building services in support of national development objectives, regional agreements and the implementation of the 2030 Agenda for Sustainable Development.

ABOUT URBAN-ACT

The Integrated Urban Climate Action for Low-Carbon and Resilient Cities (Urban-Act) is a regional project funded by the International Climate Initiative (IKI) of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) over the period April 2022 to December 2027. This regional project aims to support the transformation towards low-carbon and resilient urban development in Asia-Pacific while also contributing to countries' Nationally Determined Contributions (NDCs) and the advancement of the Sustainable Development Goals (SDGs). Urban-Act is implemented in China, India, Indonesia, the Philippines, and Thailand. Regional project partners include the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the United Cities and Local Governments Asia-Pacific (UCLG ASPAC), the TU Dortmund and the University of Stuttgart, as well as national consortium partners in each of the 5 partner countries.

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GLOSSARY OF TERMS

Term	Explanation
Climate finance	CCFLA’s definitions used are based on the definitions of climate finance developed by Climate Policy Initiative (CPI) for mitigation and adaptation projects in the Global Landscape of Climate Finance. ¹ The CPI working definition of climate finance is aligned with the recommended operational definition of the UNFCCC Standing Committee on Finance (see UNFCCC SCF, 2014, 2016, 2018, 2020), which states: “Climate finance aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts.”
Enabling framework conditions (EFCs)	An EFC is a component of a broader enabling environment, in this case for urban climate finance. EFCs together constitute an enabling environment for achieving minimized and well-managed risks and where the rights, roles and assets of all stakeholders are established. Previous CCFLA work has focused on EFCs for climate-smart cities, which together facilitate low-carbon, climate-resilient urban development. EFCs can be, but are not limited to, policies, legal frameworks, governance structures, implementation capacity, and financing and investment structures. ²
Reliable	Reliable is used to describe transfers and refers to transfers which follow an agreed-upon schedule and time, and including multi-year agreements/budgetary commitments. Future transfers are certain and expected to be provided as indicated in official agreements, documents, and regulations.
Subnational government	The terms ‘subnational’ and ‘subnational government’ refer to the multiple levels of government that operate below the national level. Common terms for subnational governments include states, provinces, territories, regions, counties, municipalities, cities or similar. ³ See Box A for advice on interpreting subnational when applying this tool.
Systems of intergovernmental transfers	Systems of intergovernmental transfers are defined here as the structure, type, and frequency of fiscal transfers between national and subnational governments.
Urban areas	The term ‘urban’ refers to Functional Urban Areas (FUAs), which consist of a densely inhabited city and a less densely populated commuting zone whose labor market is highly integrated with the city. ⁴ The term ‘urban’ also includes cities with physical boundaries that are officially locally defined by the city government in question, which, depending on the context, may include less urbanized areas such as peri-urban commuting zones. ⁵
Urban climate finance	Urban climate finance refers to resources directed to activities limiting city-induced GHG emissions or aiming to address climate-related risks faced by cities, contributing to resilience and low carbon development. ⁶

1 Climate Policy Initiative (CPI). 2023. The Global Landscape of Climate Finance 2023. Available at: <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/>

2 CCFLA/World Bank (2021). 2021 State of Cities Climate Finance. Available at: <https://citiesclimatefinance.org/publications/2021-state-of-cities-climate-finance/>

3 Gutierrez, Arturo Herrera (2015). What are we talking about when we talk about “subnational governments”? Available at: <https://blogs.worldbank.org/governance/what-are-we-talking-about-when-we-talk-about-subnational-governments>

4 European Commission/OECD (2019). The EU-OECD definition of a functional urban area. Available at: https://www.oecd-ilibrary.org/urban-rural-and-regional-development/the-eu-oecd-definition-of-a-functional-urban-area_d58cb34d-en

5 CCFLA/World Bank (2021). 2021 State of Cities Climate Finance. Available at: <https://citiesclimatefinance.org/publications/2021-state-of-cities-climate-finance/>

6 Ibid.

1. INTRODUCTION

Enabling framework conditions (EFCs) are essential for scaling urban climate finance because they provide regulatory clarity, strengthen institutional capacity, mitigate investment risks, promote stakeholder engagement, and improve access to finance to support long-term sustainability. By creating a conducive environment for climate finance, EFCs help unlock the potential of national and subnational entities to drive climate action and achieve global climate goals.

The CCFLA/Urban-Act National Assessment Tool aims to enhance urban governments' access to climate finance by assessing national EFCs. Introducing a standardized approach to understanding national EFCs and intergovernmental relationships can help identify potential areas for improvement. The tool's primary target user group is national government officials, but it may also be useful to other stakeholders, including local governments and their partners, city networks, and NGOs.

The National Assessment Tool aims to:

- Gather information to understand the national EFCs for urban climate finance and intergovernmental relationships in the assessment country.
- Identify strengths and opportunities for improvement in national EFCs.
- Facilitate recommendations for the national government based on the analysis of question responses and considering disparate country contexts.
- Provide examples and additional resources on best practices to help national governments improve their EFCs.

The National Assessment Tool has been piloted in India and Indonesia, and the results of those assessments can be found on the [CCFLA](#) and the [Urban-Act](#) websites. India and Indonesia were chosen as pilot countries based on initial demand as Urban-Act project countries and due to the presence of development partners with climate finance expertise.

1.1 APPLYING THE TOOL

This Tool aims to assess national EFCs for urban climate finance in diverse contexts. While its application may vary depending on context, the suggested steps are as follows:

1. **Institutional Set-up and Mapping:** Identify key government partners and stakeholders who will support the assessment and provide information for dimension analysis.
2. **Preliminary Data Collection:** Evaluate the national government against the dimensions using policy and document review, interviews, focus group discussions, and data inventory. Each dimension has a suggested method of data collection, but research methods will vary.
3. **Multistakeholder Inception Workshop:** A suggested step to assist with reviewing the initial assessment findings and fill in any missing information from government and civil

society stakeholders. Workshops can provide helpful feedback on the dimensions as a whole and help understand the EFCs in context.

4. **Prepare Assessment Results:** Summarize the findings for each category and highlight strengths and gaps in the EFCs. Collect additional data to fill gaps.
5. **Final Multistakeholder Workshop:** Present and validate the findings to government partners.
6. **Follow-up Actions:** Use the assessment results to strengthen national EFCs. Consider implementing the Subnational EFC Assessment Tool for specific subnational or city governments. At this stage, roadmaps and/or blueprints can be developed to fill gaps in EFCs raised by the assessment.

The Indonesia EFC Assessment and India EFC Assessment reports provide more detailed information on the assessment process in practice.

Box A. Applying dimensions which refer to “subnational”

Certain dimensions may refer to “subnational” in terms of policy and/or finance. Users of this tool have discretion over the level of government to which this refers. Disparate country contexts, decentralization structures, and governance regimes mean that cities and urban areas have varying levels of autonomy over climate policy, budgeting, and planning. It may be best to consider in this case the city or metropolitan level that most closely works on urban climate finance. In some cases, the state or regional levels may be more appropriate for some dimensions. We use the term “subnational” in this document to allow flexibility and indicate where the dimensions apply to urban climate goals.

1.2 ASSESSMENT STRUCTURE

The National Assessment tool has 64 dimensions, divided into four categories and 16 sub-categories:⁷

1. **Climate Policy:** Assess how the national government supports climate policy and planning processes for subnational governments within the country. Identify if a long-term national climate strategy has been recently updated to provide a clear pathway to achieve subnational climate targets. Sub-categories:
 - 1.1 National climate change policies
 - 1.2 National regulations for subnational climate policies
 - 1.3 National requirements for involving subnational governments in climate planning
2. **Budget and Finance:** Assess the country’s national and subnational financial architecture to provide an explicit, clear, and stable assignment of expenditures and responsibilities and put incentives for subnational fiscal autonomy in place. Sub-categories:

⁷ Dimensions are designed to highlight key areas for action on EFCs, rather than produce a quantitative assessment score.

- 2.1 Public financing and national budget
 - 2.2 National funding sources for subnational climate action
 - 2.3 National support for subnational budgeting
 - 2.4 Systems of intergovernmental transfers
 - 2.5 Fiscal decentralization and subnational revenue generation
 - 2.6 Private finance mobilization at the subnational level
 - 2.7 Subnational creditworthiness and access to capital
 - 2.8 Potential for co-financing and/or innovative financing
3. **Climate Data:** Assess the data available for mitigation and adaptation planning from national to local levels and how well data and analysis are incorporated into planning and strategy. Assess how the national government can support subnational governments in having better access to good quality climate data and using that in their climate policy and planning. Sub-categories:
- 3.1 National-level climate data
 - 3.2 National support for subnational climate data (data quality, data availability, and incorporation into planning processes)
4. **Vertical and Horizontal Coordination:** Assess how the national government can cooperate with sub-national governments to develop stronger climate policy and planning coordination horizontally (across urban systems, processes, and planning) and vertically (from local to national levels). Sub-categories:
- 4.1 National support for subnational vertical and horizontal coordination
 - 4.2 Public involvement and subnational stakeholder engagement
 - 4.3 National external engagement and peer learning

Dimension References Note: Several assessment indicators throughout are taken from the 2024 City Enabling Environment (CEE) Assessment, conducted by United Cities and Local Governments Asia-Pacific (UCLG ASPAC). The CEE assessment looks at the legislative frameworks of the enabling environments of cities in 5 Asia and Pacific countries, examining elements related to finance and the environment. It builds upon previous Asia-Pacific assessments in 2018 and the Africa assessment conducted in 2012 and 2015.

2. NATIONAL ASSESSMENT TOOL: DIMENSIONS

The “Dimension” column below refers to national EFC components being assessed to improve urban access to climate finance. “Dimension Detail” provides a more nuanced understanding of good practice examples for each dimension.

CATEGORY 1: CLIMATE POLICY (CP)

Dimension	Dimension Detail
CP Sub-Category 1.1: National climate change policies	
National mitigation strategy	1.1.1 Mitigation: the national government has a national climate change mitigation strategy, such as a Nationally Determined Contribution (NDC) or similar document. The strategy includes a long-term pathway to achieve climate targets. Targets are binding.
National adaptation strategy	1.1.2 Adaptation: the national government has a national climate change adaptation strategy, such as National Adaptation Plan (NAP) or similar document. The strategy includes a long-term pathway to achieve climate targets. Targets are binding.
National government regularly updates national climate policy	1.1.3 The national government updates climate policies/commitments for both mitigation and adaptation regularly according to the NDC cycle or voluntarily depending on their macroeconomic situation, developmental trajectory, climate-related incidents, or similar. <i>For example, the adaptation plans are updated after a climate-related disaster incident such as urban floods.</i>
Climate policy monitoring and reporting at the national level	1.1.4 There are transparent monitoring and reporting systems in place that track progress towards climate goals using climate data. There are enforcement mechanisms in place with the capacity to enforce any deviation from climate goals.
National climate change risk assessment	1.1.5 The national government regularly conducts a national climate risk assessment, which includes various climate change factors, such as temperature changes, extreme weather events, sea-level rise, infrastructure vulnerability, and socio-economic vulnerability, among others.
CP Sub-Category 1.2: National regulations for subnational climate policies	
National mitigation strategy has urban content	1.2.1 The national government’s mitigation strategies include specific urban and/or subnational content. The national policies / strategies specifically elaborate subnational governments' roles and/or guiding frameworks for climate mitigation actions.

Dimension	Dimension Detail
National adaptation strategy has urban content	1.2.2 The national government’s adaptation strategies include specific urban and/or subnational content. The national policies / strategies specifically elaborate subnational governments' roles and/or guiding frameworks climate adaptation actions.
National policies include urban climate targets and specify subnational roles	1.2.3 National urban policies specifically include climate targets. The national urban policies specifically elaborate subnational governments' roles and/or standards of action in climate mitigation and adaptation actions.
National government sets KPIs to measure urban climate progress	1.2.4 The national government sets key performance indicators (or additional metrics) to measure urban climate progress towards targets (e.g., percentage reduction in GHG emissions compared to a baseline year, number of climate-resilient infrastructure projects implemented). <i>Note: Include city and/or urban data where available.</i>
National regulation enables dedicated subnational climate bodies	1.2.5 There is a national legal / regulation / policy framework at the national level that enables subnational governments to establish a dedicated local agency / body for planning, coordination and/or implementation of climate actions. Through this body, subnational governments can plan for long-term local climate actions.
National regulation requiring local reporting on climate actions	1.2.6 There is a national legal / regulation/policy framework requiring subnational governments to report their implementation of climate actions.
National requirement for subnational GHG inventories	1.2.7 There is a national legal / regulation / policy framework requiring subnational GHG inventories to be conducted. The national government provides support for subnational governments to conduct these inventories. <i>For example, support may include technical or financial support for subnational GHG inventories.</i>
National requirement for city climate change risk assessment	1.2.8 There is a national legal / regulation / policy framework requiring city-level climate change risk assessments. The national government provides support for cities to incorporate climate risks into their development planning documents.
National requirement for city climate action plan & urban resilience plans	1.2.9 There is a national legal / regulation / policy framework that requires subnational governments to develop city-level climate action plans, urban resilience plans, or similar documents. Specify if the city- or municipality-level plans are mandatory or not. <i>For example, specify whether city-level climate action plans are required or whether subnational integration of climate targets into development planning documents is required.</i>
CP Sub-Category 1.3: National requirements for involving subnational in planning	
National requirement for involving subnational government in climate planning	1.3.1 There is a national legal / regulation / policy framework, such as National Planning Document(s), requiring the integration of subnational government perspectives on local climate actions into national planning processes. This can include national strategies on disaster risk reduction and biodiversity protection, or similar documents.

CATEGORY 2: BUDGET AND FINANCE (BF)

Dimension	Dimension Detail
BF Sub-Category 2.1: Public financing and national budget	
National definition for climate finance	2.1.1 The national public financial framework (or similar documents) sets out clear criteria for what counts as climate/ green/ sustainable finance for domestic and donor finance.
National funding mechanism for subnational governments to achieve climate targets	2.1.2 There is a national funding mechanism or program for subnational governments to achieve climate targets attached to national strategies/ policy documents. <i>For example, sectors receiving funding may be indicated in NDCs if the national government provides funding support to specific sectors.</i>
National and subnational disaster-risk management funds	2.1.3 Disaster-risk management or reduction emergency funds, or similar funds, are available on the national and subnational level. The mechanism to access these funds is in place.
BF Sub-Category 2.2: National funding sources for subnational climate action	
Domestic public finance for subnational climate action	2.2.1 The national government has used domestic public finance sources (e.g., taxes, subsidies) to finance subnational climate action within the last 2 years.
International public finance for subnational climate action	2.2.2 The national government has used international public finance sources (e.g., grants, bilateral/donor funding, MDBs, global funds) to finance subnational climate action within the last 2 years.
Domestic private finance for subnational climate action	2.2.3 The national government has used domestic private finance sources (including private finance generated by NDBs, non-bank financial institutions (NBFIs), financial markets, and capital markets) to finance subnational climate action within the last two years.
International private finance for subnational climate action	2.2.4 The national government has used international private finance sources to finance subnational climate action within the last two years.
BF Sub-Category 2.3: National support for subnational green budgeting	
National government provides technical assistance for subnational governments for budget/financing practices	2.3.1 The national government provides technical assistance for subnational governments to implement green budget and financing practices. <i>For example, technical assistance may include support for green subnational procurement and/or initiatives, taxonomies, bonds, certification etc. to support subnational green budgeting and financing practices.</i>
Climate budgets include climate-risk components	2.3.2 National climate budgets include climate-risk assessment components and support for vulnerable groups on the subnational level. <i>For example, support may include allocations to adaptation projects, capacity-building measures for groups at risk, and social safety nets.</i>

Dimension	Dimension Detail
National framework allowing subnational budget tagging	2.3.3 There is a framework/policy at the national level which allows subnational governments to develop toolkits for and implement budget tagging, tax tagging and/or revenue tagging for tracking climate-specific revenue or expenditure.
BF Sub-Category 2.4: Systems of intergovernmental transfers	
National intergovernmental transfers supporting subnational mitigation goals	2.4.1 Intergovernmental transfers (from national to subnational) are in place which consider subnational mitigation goals. These transfers are transparent and reliable, occurring at least once within the last two years. <i>For example, conditional transfers, matching transfers, grants, subsidies, and/or direct performance contracts.</i>
National intergovernmental transfers supporting subnational adaptation goals	2.4.2 Intergovernmental transfers (from national to subnational) are in place which consider subnational adaptation goals. These transfers are transparent and reliable, occurring at least once within the last two years. <i>For example, conditional transfers, matching transfers, grants, subsidies, and/or direct performance contracts.</i>
National intergovernmental transfers incentivizing subnational policies including climate externalities	2.4.3 Intergovernmental transfers (from national to subnational) are in place which incentivize subnational government officials to consider climate externalities in their policy and planning. These transfers are transparent and reliable, occurring at least once within the last two years. <i>For example, climate externalities include transboundary pollution, and transfers include conditional transfers, matching transfers, grants, subsidies, and/or direct performance contracts.</i>
Performance based conditional transfers for subnational climate goals	2.4.4 There are conditional transfers in place from the national to subnational governments based on climate performance. These transfers are transparent and reliable, occurring at least once within the last two years. <i>For example, evaluation based on GHG inventory.</i>
National government climate-risk vulnerability for subnational transfers	2.4.5 The national government considers climate-risk vulnerability when determining subnational transfers. <i>For example, vulnerability evaluation of subnational regions to climate change impacts (adaptation). Considering the specific needs of each subnational region incl. distributive justice and prioritization of most affected regions.</i>
BF Sub-Category 2.5: Fiscal decentralization and subnational revenue generation	
Clear guidelines for fiscal decentralization	2.5.1 There is a clear regulatory framework and operating policy for fiscal decentralization, including climate action, subnational revenue generation, and reporting mechanisms.
Subnational revenue diversification allowed & encouraged	2.5.2 Subnational governments are allowed and encouraged to diversify their revenue sources to address climate action through a basket of resources, such as taxes, including carbon taxes, fees, and charges.
Clarity on expenditures at levels of government (avoid overlapping budgets)	2.5.3 There is clarity on what level of government is responsible for different functions and corresponding expenditures, and no overlapping governance. Laws / regulations determine the level of government responsible for different expenditures, and there are no overlapping budgets between different levels of government.

Dimension	Dimension Detail
Adequate subnational revenue generation	2.5.4 Subnational governments have adequate revenue generation for climate action and do not rely only on emergency funds or other special funds to cover regular expenses for climate planning.
BF Sub-Category 2.6: Private finance mobilization at the subnational level	
Private sector investment possible in municipal infrastructure	2.6.1 Private investment into municipal infrastructure sectors is allowed. There are no procurement laws or policies which prevent or discourage this type of investment. <i>For example, there are tax benefits and/or subsidies for the private sector; regulatory incentives (e.g., feed-in tariffs, risk mitigating insurance, or other) are in place.</i>
National policies support private sector investment into subnational climate action	2.6.2 There are national policies and regulatory frameworks supporting the engagement with the private sector in subnational climate projects and across subnational regions. <i>For example, support may include tax benefits and/or subsidies for private sector investment, regulatory incentives such as feed-in tariffs or risk-mitigating insurance, or funding pools to combine investment across neighboring subnational jurisdictions.</i>
National support for subnational PPPs	2.6.3 There is national support for public-private partnerships (PPPs) for climate action at the subnational level and across subnational regions. <i>For example, support may include national incentives that support PPPs for subnational climate action and also through subnational cooperation.</i>
BF Sub-Category 2.7: Creditworthiness and access to capital	
Subnational borrowing capacity for climate investments	2.7.1 Subnational governments are able to borrow for climate investments. Fiscal frameworks are in place for subnational borrowing. These encourage fiscal responsibility and may include borrowing rules.
Clear process for sovereign guarantees	2.7.2 Subnational governments require a sovereign guarantee/approval from the national government to borrow for climate investments. There is a clear process in place, and at least one subnational government in the country has successfully done this before.
Subnational credit rating	2.7.3 Subnational governments in the country have applied for and been granted a credit rating.
Municipal bond issuance	2.7.4 Subnational governments in the country have issued municipal bonds. There are frameworks in place for municipal bond issuances at the subnational level.
Green bond issuance	2.7.5 Subnational governments in the country have issued green bonds. There are frameworks in place for municipal green bond issuances at the subnational level.
National support for first-time subnational bond issuance	2.7.6 The national government provides technical assistance and/or capacity building programs for subnational governments to issue municipal bonds for the first time, including guidance on managing bonds proceeds.

Dimension	Dimension Detail
National government facilitates pooled financing	2.7.7 The national government facilitates pooled financing mechanisms that can issue bonds on behalf of multiple subnational governments. There is a clear mechanism in place for pooled financing, and this has been done successfully at least once.
BF Sub-Category 2.8: Potential for co-financing and/or innovative financing	
National or public development bank potential for co-financing	2.8.1 The country has a national development bank(s) (NDB) and/or public development bank(s) (PDB) that support subnational or urban climate infrastructure projects. These banks could offer the potential for co-financing and de-risking financing for externals.
National investment funds potential for co-financing	2.8.2 There are national and/or regional investment funds which could offer the potential for co-financing of urban climate initiatives/projects.
Blended finance	2.8.3 There is national support for subnational involvement in innovative financing mechanisms for climate action, such as blended finance.
Carbon markets	2.8.4 There is national support for subnational involvement in innovative financing mechanisms for climate action, such as carbon markets.
Special purpose vehicle	2.8.5 There is national support for the use of a special purpose vehicle (SPV) or special purpose entity (SPE) to limit liability, provide innovative project funding, and allow cross-border transactions on the subnational level.

CATEGORY 3: CLIMATE DATA (CD)

Dimension	Dimension Detail
CD Sub-Category 3.1: National-level climate data	
Local climate databases	3.1.1 There is a national mechanism for locally centralized & digitalized database services on climate adaptation and mitigation (including GHG inventory).
National government has access to good national climate data	3.1.2 The national government has access to good, comprehensive climate data at the national level covering both mitigation and adaptation. For mitigation, data should follow the Transparency, Accuracy, Consistency, Comparability and Completeness (TACCC) principles.
CD Sub-Category 3.2: Subnational-level climate data	
Self-reporting mechanism for subnational governments to update their climate data	3.2.1 There is a digitalized self-reporting mechanism for subnational governments to update their data on the national database.

Dimension	Dimension Detail
National support for subnational research centers on climate data	<p>3.2.2 The national government provides support to establish regional and/or local-level research centers to support subnational climate data.</p> <p><i>For example, these centers could include partnerships with university and/or research bodies, civil society, and the private sector.</i></p>
National financial support and technical assistance to analyze climate data	<p>3.2.3 The national government provides financial support and technical assistance to the subnational government to analyze subnational climate data.</p>
National government ensures good quality and availability of subnational climate data	<p>3.2.4 The national government ensures that good quality subnational climate data is available for subnational governments. For mitigation data, this is defined as following TACCC principles: transparency, accuracy, consistency, comparability, and completeness. The data is also timely and covers mitigation and adaptation (including identifying emissions sources, designing GHG inventories, and disaster and climate risk assessments and long-term climate change scenarios).</p> <p><i>For example, support may include technical support, developing protocols and associated standardized terms of reference, creating national information technology platforms to host inventory data, etc.</i></p>

CATEGORY 4: VERTICAL AND HORIZONTAL COORDINATION (VHC)

Dimension	Dimension Detail
VHC Sub-Category 4.1: National support for subnational coordination	
National support for horizontal coordination for climate planning and risk assessment	<p>4.1.1 The national government supports and/or mandates regional strategies that coordinate climate actions between subnational governments and encourage climate planning and assessment of risks beyond individual boundaries. Specify whether support includes technical and financial support.</p>
National support for horizontal/ vertical coordination for shared climate investment opportunities	<p>4.1.2 The national government supports subnational governments in coordinating and identifying opportunities for shared climate investments (whether across levels of government or between jurisdictions). Specify whether support includes technical and financial support.</p>
National support for vertical coordination on climate action	<p>4.1.3 There are mechanisms in place for vertical coordination (across levels of government) on climate action supported by the national government. Specify whether support includes technical and financial support.</p> <p><i>For example, there are city deals or contracts, regional or local development strategies, platforms for intergovernmental dialogue, and dedicated regional development agencies.</i></p>

Dimension	Dimension Detail
<p>National support for horizontal coordination on climate action</p>	<p>4.1.4 There are mechanisms in place for horizontal coordination (between/across jurisdictions) on climate action supported by the national government. Specify whether support includes technical and financial support.</p> <p><i>For example, the national government encourages horizontal coordination through financial or non-financial incentives, agreements between jurisdictions, regional or local development strategies, platforms for intergovernmental dialogue, and/or dedicated regional development agencies.</i></p>
<p>National support for international coordination on climate action</p>	<p>4.1.5 There are mechanisms for international coordination and peer learning for subnational governments supported by the national government. Specify whether support includes technical and financial support.</p>
<p>VHC Sub-Category 4.2: Public involvement and stakeholder engagement</p>	
<p>National requirements for public participation in subnational climate regulation</p>	<p>4.2.1 There is a national regulation / legislation / mechanism that requires subnational governments to integrate public participation into their climate actions regulation/mechanism.</p>
<p>National support to integrate civil society in subnational climate planning</p>	<p>4.2.2 The national government facilitates forums and/or partnerships for subnational governments to integrate civil society, the public, and the private sector into their climate actions and planning.</p>
<p>VHC Sub-Category 4.3: National cooperation and peer learning</p>	
<p>National government engages in peer learning</p>	<p>4.3.1 The national government engages in peer learning (with other countries, networks, or technical advisers) on climate finance and/or subnational climate finance.</p>
<p>National cooperation with PPFs for subnational climate infrastructure projects</p>	<p>4.3.2 There is evidence of national cooperation with Project Preparation Facilities (PPFs) for climate infrastructure projects on the subnational level.</p>

3. RESOURCES AND TOOLKITS

The resources in this section are intended to guide national governments in improving EFCs based on the assessment results above. Resources include toolkits and guidance offering practical, step-by-step roadmaps, as well as reports, which provide broader context on best practices relating to EFC sub-categories.

CATEGORY 1: CLIMATE POLICY RESOURCES

Sub-category	Resources
<p>1.1 National climate change policies</p>	<ul style="list-style-type: none"> • Toolkit: Climate Watch. NDC Enhancement Tracker: Tracks which countries are submitting and updating their NDCs. • WRI. Resources for NDC Enhancement: <ul style="list-style-type: none"> • Report: The State of NDCs 2022: Takes stock of countries' latest NDCs and examines how these commitments evolved since the Paris Agreement. • Guidance document: Enhancing NDCs: A Guide to Strengthening National Climate Plans by 2020: Provides a step-by-step process to identify relevant options for enhancing NDCs and how enhanced NDCs can help reduce emissions and advance adaptation action by presenting lessons learned from countries. • Guidance document: OECD. Insights from National Adaptation Monitoring and Evaluation Systems: Provides insights related to national approaches to monitoring and evaluating adaptation and provides examples and case studies. • Toolkit: Friends of Ecosystem-based Adaptation. Ecosystem-based Adaptation (EbA): Aims to strengthen the evidence and inform policy to strengthen adaptation in planning and decision-making processes. • Report: ESCAP. The Race to Net Zero: Accelerating Climate Action in Asia and the Pacific: The theme study sets out the transformations that are needed for Asia and the Pacific to transition to a net-zero-carbon future in support of sustainable development.
<p>1.2 National regulations for subnational climate policies</p>	<ul style="list-style-type: none"> • Report: UN-Habitat. Urban Climate Action – The Urban Content of the NDCs: Global Review 2022: Identifies urban mitigation/adaptation challenges and responses and includes recommendations. • Toolkit: NDC Partnership Good Practice Database: Searchable repository of good practices and lessons learned, including a focus on national policies for cities. • Report: ESCAP. Report: Coalition for Urban Transitions. Seizing the Urban Opportunity: Report covering how national governments can address climate change through city and urban policies.

Sub-category	Resources
	<ul style="list-style-type: none"> • Report: UN Habitat. Multi-Level Governance for Effective Urban Climate Action in the Global South: Report on the potential for urban climate action at the national level. • Report: Scaling Up Investment for Sustainable Urban Infrastructure: A Guide to National and Subnational Reform Coalition for Urban Transitions: Recommendations on a coordinated or systems approach to scaling up financing for sustainable infrastructure in cities.
1.3 National requirements for involving subnational governments in planning	<ul style="list-style-type: none"> • Guidance document: GCoM. The Multilevel Climate Action Playbook: Lays out the options for national, regional, and local levels of both mitigation and adaptation. • Guidance document: Initiative for Climate Action Transparency. Integrating Subnational and Non-State Actors into M&E Systems for Adaptation: Aims to support actors in national governments responsible for the M&E of national adaptation policies to integrate sub-national and non-state actors into the M&E systems they are developing. • Report: Cities 2023: ESCAP. The Future of Asian and Pacific Cities 2023: Crisis Resilient Urban Futures: This report aims to provide valuable insights into the spatial, economic, social, environmental, and governance aspects of Asian and Pacific cities, offering holistic policy recommendations towards a sustainable urban recovery from these crises.

CATEGORY 2: BUDGET AND FINANCE RESOURCES

Sub-category	Resources
2.1 Public financing and the national budget	<ul style="list-style-type: none"> • Guidance document: IMF. How to Make the Management of Public Finances Climate Sensitive – “Green PFM”: Introduces the concept of “green public financial management (PFM) by providing an overview of green PFM practices and case studies. • Guidance document: UNDP. Budgeting for Climate Change: A Guidance Note for Governments to Integrate Climate Change into Budgeting: Provides a step-by-step approach to integrating climate change into the budget preparation and approval stage, in line with PFM principles, and provides information on relevant tools and case studies in various countries.
2.2 National funding sources for subnational climate action	<ul style="list-style-type: none"> • Report: OECD. Subnational Government Climate Expenditure and Revenue Tracking in OECD and EU countries: Measures climate expenditure and revenue tracking of subnational governments in OECD and EU countries and, in turn, assesses the fiscal capacity of subnational governments to develop and implement their climate action policies to drive subnational climate action.
2.3 National support for subnational green budgeting	<ul style="list-style-type: none"> • Report: OECD. Aligning Regional and Local Budgets with Green Objectives – particularly Chapter 4: Green Budgeting Guidelines: Provides six key guidelines to start or develop a green budgeting exercise at the regional and local levels.

Sub-category	Resources
<p>2.4 Systems of intergovernmental transfers</p>	<ul style="list-style-type: none"> • Policy paper: IMF. Strengthening Infrastructure Governance for Climate-Responsive Public Investment: Designed around key pillars of public investment management that are key for climate-smart infrastructure and also provides prioritized recommendations to strengthen climate-responsive aspects of infrastructure governance. • OECD. Resources for Effective multi-level public investment: <ul style="list-style-type: none"> • Toolkit: OECD. Effective public investment across levels of government toolkit: Introduces the 12 OECD principles on effective public investment across levels of government, including comparing indicators and good practices in use in multiple countries, regions, and municipalities. • Report: OECD. Effective multi-level public investment: Illustrates the overall progress and key challenges in implementing public investment across levels of government.
<p>2.5 Fiscal decentralization and subnational revenue generation</p>	<ul style="list-style-type: none"> • Report: Smoke, P., and Mitchell Cook. Administrative Decentralization and Climate Change Concepts: This paper attempts to integrate the need for climate change policy action in the existing best practice framework of intergovernmental fiscal design. It reviews and highlights how different countries, both federations and other fiscally decentralized states, have been responding to the prospect of implementing effective policies to address the challenges of climate change and provides recommendations and guidance. • Working paper: Martinez-Vazques, J. Adapting Fiscal Decentralization Design to Combat Climate Change: Examines how the principles of fiscal decentralization design (in expenditure, and revenue assignments, transfers, and borrowing) can be adapted for successfully engaging subnational governments fighting climate change and critically reviews international practices.
<p>2.6 Private finance mobilization at the subnational level</p>	<ul style="list-style-type: none"> • Report: OECD. Policy Framework for Investment: Proposes guidance in policy fields critically important for improving the quality of a country's enabling environment for private investment. • Report: OECD. Financing Cities of Tomorrow: Outlines how new forms of urban planning can help mobilize private finance, explores how leveraging private investment can help strengthen cities' capacity in a tight fiscal environment, and considers the potential opportunities and challenges for mobilizing sustainable finance. • Report: World Bank. Climate Toolkits for Infrastructure PPPs: Aims to address the challenge of uncertain moving pieces within the framework of PPPs, by embedding a climate lens within a structured approach to upstream PPPs. • Resolution: ESCAP. Empowering Cities to Implement the 2030 Agenda for Sustainable Development and the New Urban Agenda: the resolution presents an analytical basis for city and national governments to improve institutional enabling environments for local governments to leverage their resources through longer tenor debt, equity and land-based financing of urban infrastructure.

Sub-category	Resources
<p>2.7 Creditworthiness and access to capital</p>	<ul style="list-style-type: none"> • Toolkit: World Bank. City Creditworthiness Initiative – Self Assessment & Planning Toolkit: Includes 6 steps enabling subnational governments (municipalities, states) to self-assess core challenges to creditworthy financial management and provides recommendations to form an action plan. • Toolkit: UN-Habitat. Rapid Own Source Revenue Analysis: Rapid Own Source Revenue Analysis (ROSRA) assists local governments in determining the need for reform of their source revenue (taxes, fees, licenses, etc.) and identifying their key shortcomings. • Report: OECD. Effective multi-level public investment: Illustrates the overall progress and key challenges in implementing public investment across levels of government.
<p>2.8 Potential for co-financing and/or innovative financing</p>	<ul style="list-style-type: none"> • Report: CCFLA. Leveraging National Development Banks to Enhance Financing for Climate-Smart Urban Infrastructure: Provides an overview of the challenges and opportunities cities and NDBs face through consultations with cities and NDBs globally. Identifies the barriers and enablers cities and NDBs face at the policy, legal, financial, and institutional levels. • Report: CCFLA. Enhancing the Role of National Development Banks in Supporting Climate-Smart Urban Infrastructure: Focuses on enhancing National Development Banks' role in supporting the acceleration of climate-smart urban infrastructure investment.

CATEGORY 3: CLIMATE DATA RESOURCES

Sub-category	Resources
<p>3.1 National-level climate data</p>	<ul style="list-style-type: none"> • Guidance document: Research My Society. Unlocking the value of fragmented public data: Provide explanations of why better data matters and explain the cost of fragmented public data while providing recommendations for policymakers. • Guidance document: UNECE. Climate Change Data Ecosystems for Better Climate Action Introducing an Assessment Framework: Provides a model for National Statistical Offices (NSOs), line ministries, and other critical data actors for climate change to identify the demand for climate change data for both global commitments and national strategies as well as data gaps, map the key stakeholders and their roles, and identify the capacities to activate data for climate action. • Report: IPCC. Introduction to National GHG Inventories (Chapter 1): Provides an introduction to national GHG inventories, concepts, methods, data management systems, and guidelines.

Sub-category	Resources
	<ul style="list-style-type: none"> • Toolkit: Initiative for Climate Action Transparency. Transport Climate Data Tool (TraCAD): Supports countries in systematically assessing the impact of climate actions in the transport sector. It streamlines all aspects of the data collection process and offers standard methodologies, calculations, and reporting in one place. It also guides users through the process, making connecting actions and policies with outcomes and costs more straightforward, facilitating the design and tracking of NDCs, and providing a more consistent and structured approach to data collection, GHG impact assessment, cost assessment, and tracking of climate actions. • Toolkit: German cooperation/UNDP. Data Policy Navigator: Designed to assist government executives and policymakers in grasping the fundamentals of data-driven decision-making. It provides a step-by-step guide on how to integrate data into policy and program development.
3.2 Subnational-level climate data	<ul style="list-style-type: none"> • Guidance document: WRI/C40 Cities/ ICLEI. Global Protocol for Community-Scale Greenhouse Gas Inventories: Offers cities and local governments a robust, transparent, and globally accepted framework to consistently identify, calculate, and report on city greenhouse gas emissions. This version has been revised to align with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

CATEGORY 4: VERTICAL AND HORIZONTAL COORDINATION RESOURCES

Sub-category	Resources
4.1 National support for subnational coordination	<ul style="list-style-type: none"> • Guidance document: UNFCCC. Enhancing the ownership of developing countries of building and maintaining capacity for climate action: Presents findings on experiences, good practices, and lessons learned with regard to enhancing country ownership in terms of building and maintaining capacity. It does so by focusing on the different stages of capacity-building processes. • Toolkit: Toolkit to assess capacity gaps and needs to implement the Paris Agreement: It provides an overview of a capacity assessment cycle and enables countries to identify appropriate steps to strengthen their national capacities to address climate change. • Report: ESCAP. Vertical Integration of Climate Change Policies and Actions in Asia-Pacific Cities: This 2020 discussion paper explores the linkages between climate change ambitions, policies, multi-level governance frameworks, and vertical integration in cities in the Asia-Pacific region. • Report: ESCAP. Enabling cities to take climate action and advance the Sustainable Development Goals: 2023 resolution, which explores the linkages between climate change ambition and policies, multilevel governance frameworks, and the vertical integration of climate action in cities in the Asia-Pacific region.

Sub-category	Resources
<p>4.2 Public involvement and stakeholder engagement</p>	<ul style="list-style-type: none"> • Guidance document: NDC Partnership. Youth Engagement Plan: Presents actions based on good practices, recommendations, and resources shared by NDC partnership members and youth groups during the consultation.
<p>4.3 National cooperation and peer learning</p>	<ul style="list-style-type: none"> • Directory: CCFLA. Project Preparation Resource Directory: Helps subnational governments and stakeholders identify project preparation facilities to support them in developing green and resilient infrastructure.

4. EXAMPLES

The examples presented here are designed to provide illustrative examples of how national governments have successfully strengthened their EFCs.

4.1 CLIMATE POLICY EXAMPLES

4.1.1 MOROCCO'S NATIONALLY DETERMINED CONTRIBUTION (NDC) INCLUDES STRONG URBAN CONTENT

Context: Morocco, located in North Africa with a population of 37.4 million people, grapples with pressing climate challenges like drought and floods, which significantly impact human and economic activities. With a substantial urban population projected to reach 77% by 2050, coupled with rising temperatures, the demand for cooling and energy is poised to surge. Morocco's vulnerability to sea-level rise in its urban coastal zones, where 90% of its industrial activities occur, adds another layer of complexity to its climate concerns.

Description: Morocco's national climate change policies demonstrate good practice for setting national climate policies and include strong urban content. Morocco's climate change and sustainable development are integrated and mainstreamed throughout Morocco's domestic policies, including in their most recent constitution. Morocco submitted an NDC in 2016 that was rated as 1.5°C Paris Agreement Compatible by Climate Action Tracker for its policies, actions, and fair share target. The NDC was complemented by a robust NAP in the same year, providing a roadmap for adaptation efforts. In 2021, Morocco bolstered its climate commitment by presenting an enhanced NDC, aiming for a 45.5% reduction in greenhouse gas emissions by 2030, with 27.2% conditional on international assistance. This updated NDC amplifies ambition, diversifies sectors, introduces innovative solutions, and delineates clear financing and implementation strategies.

Morocco's emphasis on strong urban content within its NDC, including adaptation objectives for urban and rural planning and health, highlights a proactive stance toward addressing the unique challenges posed by urbanization and coastal vulnerabilities. Within the transport sector, Morocco aimed to transform urban public transport to renewable energy and improve urban road transportation across the country's cities. The plan also included targets for recycling centers in urban areas and urban solid waste management programs. Beyond its NDC, Morocco's long-term 2021 strategy focuses on promoting new smart cities.

Sources and further reading:

- [Morocco Submits Enhanced NDC](#) (UN-Habitat 2024)
- [Urban Pathways: Morocco Summary](#) (2018)
- [Second Performance Review of The Green Climate Fund, Morocco](#) (2023)

4.1.2 PHILIPPINES CLIMATE CHANGE ACT MANDATES LOCAL GOVERNMENTS TO DEVELOP AND IMPLEMENT LOCAL CLIMATE CHANGE ACTION PLANS

Context: Climate change poses significant challenges in the Philippines due to its geographical vulnerability to extreme weather events such as typhoons, flooding, and sea-level rise. With approximately 70% of its cities and towns located along coastal areas, the country's population faces heightened risks from these climatic impacts. Moreover, high poverty levels exacerbate the vulnerability of communities, compounding the negative environmental and social effects caused by large-scale natural resource extraction industries.

Description: The Philippines has established a robust legal and institutional framework for climate change governance through its Climate Change Act (the Act), which mainstreams climate resilience into government mandates across sectors and optimizes the co-benefits of climate finance for mitigation. This coordinated strategy follows the devastating impacts of Typhoon Ketsana (Ondoy) in 2009, prompting the passage of the Act to address vulnerabilities, particularly in coastal areas where 70% of cities and towns are located. The Act established a comprehensive structure, ensuring accountability at the highest political level and involving various stakeholders in decision-making processes.

The Act mandated the development of a National Framework Strategy on Climate Change and a National Climate Change Action Plan, emphasizing adaptation and mitigation efforts across seven priority areas. It requires government agencies to allocate funds for climate change programs and provide technical and financial assistance to local government units (LGUs). LGUs, in turn, are tasked with formulating and implementing Local Climate Change Action Plans, with support from the Climate Change Committee established by the Act. These Local Climate Change Action Plans prioritize local needs and integrate best practices into development activities, and their success is dependent upon effective coordination and support at the national level.

However, challenges remain in aligning climate change policies with other sectors, such as natural resource management and development planning, which may hinder achieving climate-compatible development goals.

Sources and further reading:

- [The Philippines' Climate Change Act](#) (Climate & Development Knowledge Network 2012)
- [Mainstreaming climate resiliency into government: The Philippines Climate Change Act I NDC Partnership](#)

4.2 BUDGET AND FINANCE EXAMPLES

4.2.1 JORDAN'S USE OF BLENDED FINANCE TO EXPAND THE AS-SAMRA WASTEWATER TREATMENT PLANT

Context: Jordan, located in the Middle East, is a water-scarce country with a population of 11.2 million. The As-Samra Wastewater Treatment Plant was initially designed in 2003 to treat wastewater for the 2.3 million inhabitants of Amman while supplying quality irrigation water to the surrounding region. Construction of the plant was completed in 2008. However, the country's rapid population growth and a large influx of refugees resulted in using the full capacity of the treatment plant in terms of both the volume of wastewater received and solids processing sooner than anticipated.

Description: For this reason, the Government of Jordan, through the leadership of the Ministry of Water and Irrigation (MWI), prioritized the expansion of the treatment plant to meet the needs of the population in two of Jordan's most populous cities, Amman and Zarqa in October 2015. Through this, the government aimed to improve private sector confidence, reduce capital costs, reduce investment risk, and crowd in private capital. The plant expansion was a key part of a water reuse program that also improved the allocation of water resources by enabling the use of high-quality treated wastewater from As-Samra in agriculture, thereby freeing up freshwater for higher-value use in municipalities.

The Millennium Challenge Corporation (MCC) committed to assisting the MWI with the expansion project by providing transaction advisors and viability gap funding (VGF) to secure private financing and expand the wastewater treatment plant through a build-operate-transfer (BOT) contract, which is a form of public-private partnership. The commercial debt was secured through a standard project finance limited recourse loan from a syndicate of Jordanian local banks and financial institutions arranged by the Arab Bank. At the time, this was the longest maturity ever obtained for a Jordanian dinar-denominated limited recourse loan. Additional security was ensured through a cash waterfall account structure, and the agreement included step-in rights for the banks. The denomination of the loan in the local currency provided the clients with protection against foreign exchange risk.

Sources and further reading:

- [Case study reprinted from CCFLA's Financial Instruments Toolkit](#)

4.2.2 FRANCE'S LOCAL CLIMATE BUDGET ASSESSMENT FRAMEWORK PROVIDES GUIDANCE ON BUDGETING FOR CITIES

Context: Local authorities have a major role in achieving France's 2050 carbon neutrality objectives, as set out in the National Low-Carbon Strategy (Stratégie Nationale Bas Carbone, SNBC). In order to meet European and international commitments made by France to carbon neutrality, French local authorities need to more than double their annual climate-related investments (from €5.5 billion to €12 billion annually), to around 20% of their current total capital expenditure.

Description: French local authorities, including cities and metropolises, voiced the need for a shared framework to analyse the contribution to climate change within their budgets. Such an assessment will enable them to respond to citizens' demands for budget transparency, better manage their budget decisions through climate priorities, and easily identify the expenditures that could be financed by green bonds. To meet these demands, the Institute for Climate Economics (I4CE) cooperated with a variety of stakeholders: five French metropolises and cities, the national environmental agency (Ademe), the Association of French Mayors (AMF), EIT Climate KIC and the association of large cities (France urbaine).

The Climate Budget Assessment identifies the impacts of each expenditure included in a local authority budget on the climate. It involves analyzing the budget line by line, based on a taxonomy of actions rated in terms of their favorability for the climate. The results provide an understanding of the coherence of expenditure with reaching the municipality's climate goals.

Source:

- Institute for Climate Economics (I4CE). [Framework for climate budget assessments for cities](#)

4.3 CLIMATE DATA EXAMPLES

4.3.1 BANGLADESH'S NATIONAL PLANNING INFORMATION SYSTEM PROVIDES ACTIONABLE CLIMATE DATA

Context: Bangladesh has a population of over 170 million people and is one of the 12 most densely populated countries. It is also one of the countries most vulnerable to climate change. Climate change and sea level rise could cause a loss of over a tenth of Bangladesh's land area and displacement of up to 30 million people by 2050.

Description: The Bangladesh Planning Commission, the Ministry of Planning, and the Government of the People's Republic of Bangladesh needed more data on climate risks to plan infrastructure projects. A Planning Information System (PLIS) was developed, integrating geographic information system (GIS) technology and climate risk data. Officials from the planning commission can use PLIS to understand how project proposals intersect with water resources, physical features, land use plans, disaster risk information, and climate change projections. This allows for a more comprehensive evaluation of project aspects to understand the project's vulnerability to climate change and enhance its resilience. PLIS provides data on area-specific climate risks which can then be used by local governments to determine local adaptation needs. This project increases resilience of vulnerable groups in urban areas through supporting consideration of the impacts of climate change on development and investment planning at the local level.

Resources and further reading:

- [Adaptation to Climate Change in Development Planning in Bangladesh, Data to Policy Navigator](#)
- [Adaptation to Climate Change into the National and Local Development Planning II - giz.de](#)

4.3.2 KENYA'S DECENTRALIZED CLIMATE INFORMATION SERVICES FOR LOCALLY-LED ADAPTATION

Context: Kenya is located in East Africa and has a population of 54 million people. Kenya faces many different climate hazards, such as longer droughts, higher flood frequency, and rising sea levels. Specific climate risks vary considerably among different physical and economic conditions in regions of the country. Kenya has been undergoing administrative devolution since the new constitution was introduced in 2010. Reforms increase subnational authority and modify accountability arrangements. This means subnational governments need more and higher quality climate information available for county governments to be able to integrate this information into local development plans.

Description: The Kenya Meteorological Department (KMD), a national agency, is the lead agency on decentralizing climate information at the county level. Improved information flows across government levels in Kenya are critical to integrating climate change considerations into county poverty reduction and development strategies.

KMD is establishing county meteorological offices headed by county directors of meteorological services (CDM). CDM oversees the development and implementation of the County Climate Information Services Plan (CCISP), which establishes systematic benchmarks and actions to tailor national climate data on weather to specific vulnerable population groups. It will help contextualize specific rainfall forecasts geographically and improve livelihood planning for climate hazards among smallholder farmers, pastoralists, and agro-pastoralists.

Sources and further reading:

- [Administrative Decentralization and Climate Change: Concepts, Experience and Action, World Bank](#)

4.4 VERTICAL AND HORIZONTAL COORDINATION EXAMPLES

4.4.1 SOUTH AFRICA'S LOCAL GOVERNMENT CLIMATE CHANGE SUPPORT PROGRAMME (LGCCSP) FACILITATES STRONG VERTICAL COORDINATION

Context: South Africa's population is almost 60 million people. South Africa has a robust consultative system of climate governance. South Africa's policy development aligns with NDCs.

Description: The Local Government Climate Change Support Programme (LGCCSP) in South Africa aims to bolster climate resilience at the provincial and municipal levels through capacity building and technical assistance. Led by the Department of Environment, Forestry and Fisheries (DEFF), the program fosters intergovernmental dialogue, integrates climate concerns into local planning, and aids municipalities in crafting and financing climate projects. LGCCSP's objectives are to mainstream climate change into subnational development planning and support municipalities in developing and financing climate projects. The project aims to develop and implement strategies that are well-aligned vertically. Notably, the initiative has facilitated the development of climate response plans in all 44 district municipalities and has institutionalized climate responsibilities in select provinces and municipalities.

Lessons gleaned from the LGCCSP underscore the importance of provincial cooperation, district-level support, political leadership engagement, departmental involvement, and civil society participation. Recommendations include prioritizing multi-level learning, providing practical tools, empowering provincial governments, incentivizing local action, and securing strong leadership commitment.

Sources and further reading:

- [GCOM Case Studies: South Africa](#)
- [The Local Government Climate Change Support Programme in South Africa, Adelphi](#)

4.4.2 PT SMI IN INDONESIA ASSISTS WITH INTERNATIONAL CLIMATE FINANCE COORDINATION AND MOBILIZATION

Context: Indonesia's 276 million population faces a variety of climate hazards. Sustainable urban transport implementation remains a pressing issue, especially in cities like Semarang, where public transport serves only 20% of total transportation demand. The city government is committed to improving integrated public transport services, as highlighted in the City Mid-Term Development Plan (RPJMD).

Description: PT Sarana Multi Infrastruktur (PT SMI), a national entity, is pivotal in accelerating infrastructure development in Indonesia by leveraging public-private partnerships and mobilizing resources from multilateral and bilateral financial institutions. PT SMI is contributing to the sustainable development and climate resilience of communities in

Indonesia by financing water, renewable energy generation, transport, and agriculture-related infrastructure projects.

Specifically, PT SMI collaborated with the Government of Semarang (GoS) to enhance public transport quality, focusing on the development of an integrated sustainable Bus Rapid Transit (BRT) system. Supported by GIZ Indonesia, PT SMI prepared a PPF proposal for integrated sustainable BRT System Development in Semarang to be submitted to GCF. This initiative encompassed various dimensions such as infrastructure construction, intelligent transportation systems, integrated payment systems, and non-motorized transport improvements. PT SMI assisted Semarang in the project preparation phase, conducting feasibility studies, technological assessments, policy development, environmental and social impact assessments, and stakeholder management to ensure the successful implementation of the BRT system, aligning with Green Climate Fund (GCF) criteria for co-financing.

Sources and further reading:

- [PT Sarana Multi Infrastruktur \(Indonesia\) \(PTSMI\) | Green Climate Fund Integrated Sustainable Bus Rapid Transit Development in Semarang | Green Climate Fund](#)

citiesclimatefinance.org

unescap.org