McKinsey Sustainability

PRESS RELEASE

Embargoed until: July 20th, 8:00am EST

New report: 15 actions for cities to confront climate crisis and build resilience

McKinsey Sustainability and C40 Cities outline actions cities can take to adapt to different climate hazards and prepare for future risks

20 July 2021 – As cities around the world face a growing climate crisis, C40 Cities Climate Leadership Group and McKinsey Sustainability today released a new report designed to help city leaders build plans to reduce risk and increase resilience to the impacts of climate change. As climate risks vary based on city geography and profile, the report, *Focused Adaptation. A strategic approach to climate adaptation in cities*, outlines a list of 15 "high-potential" adaptation actions that can work for many types of cities, identified based on risk-reduction potential, cost, feasibility, and stakeholder complexity.

There are many options and strategies that cities can pursue to adapt to current and future climate impacts, which can make it difficult to set priorities and determine actions to take. The report examines five climate hazards – extreme heat, drought, wildfire, inland flooding and coastal flooding – and identifies actions directed at these particular climate risks as well as those that can help cities build systemic resilience. The actions outlined in the report include:

- Planting street trees
- Implementing cool surfaces such as white roofs and walls
- Adding coastal-based barriers, like mangroves
- Encouraging water conservation behavior programs
- Facilitating prescribed burns in forests
- Enhancing financial and insurance programs
- Instituting emergency protocols and early warning systems, like evacuation plans and tropical storm early warnings.

"There's no 'one-size-fits all' approach to adaptation and identifying the right steps to take can be daunting," said Brodie Boland, Partner at McKinsey and leader of McKinsey's work on climate risk in the real estate and infrastructure sectors. "There is limited time and resources available for cities to adapt. We hope city leaders around the world will find this report to be a useful starting point to develop their own adaptation agendas."

Cities are particularly vulnerable to climate-related risks. Currently, more than 90 percent of all urban areas are coastal; by 2050, C40 Cities estimates that more than 800 million urban residents will be affected by sea level rise and coastal flooding. In addition, <u>1.6 billion</u> could be vulnerable to chronic extreme heat (up from 200 million today), and 650 million could face water scarcity.

Because some climate change is already locked in given existing emissions, adaptation is critical to protect the lives and livelihoods of urban residents. Additionally, as the risks from climate change increase, investments in adaptation are needed alongside mitigation efforts, especially as the world is currently not on track to meet globally-agreed targets to limit warming. Adaptation is particularly important for protecting vulnerable populations, such as low-income communities, people with disabilities, children, minority groups, and the elderly. Members of these groups may be at higher

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risk from climate-related damage, and the Global Commission on Adaptation estimates that climate change could push an <u>additional 100 million people</u> in developing countries below the poverty line by 2030.

Previous research has shown the <u>risks of not acting</u> – <u>in India</u> hundreds of millions of people could be at risk of lethal heat waves, <u>billions of dollars of increased damages</u> from floods could result in Ho Chi Minh City, and homes in <u>Florida could be devalued</u> by \$30 billion to \$80 billion, among the possible consequences.

"The impacts of the climate crisis are already being felt across the world's cities and mayors are taking the urgent steps needed to prepare for a rapidly heating world," said Mark Watts, Executive Director, C40 Cities. "The '*Focused Adaptation*' research released today by C40 and McKinsey will help mayors and city leaders to make better decisions on where to focus investments and which projects to prioritise. That will ultimately mean city residents are safer, healthier and better prepared for the future."

The report released today builds on <u>previous research from McKinsey and C40 Cities</u>, which analyzed the biggest opportunities for cities to accelerate the reduction of their carbon emissions.

In addition to outlining high potential actions, *Focused Adaptation* includes recommendations for how cities can implement these actions, outlining steps to develop a climate-resilience plan and five principles that should inform the plan. The complete *Focused Adaptation* report, including detailed findings, specific case studies and recommendations for change, is available <u>here</u>.

About McKinsey Sustainability

McKinsey & Company is a global management consulting firm committed to helping organizations create Change that Matters. McKinsey Sustainability is the firm's client-service platform with the goal of helping all industry sectors transform to get to net zero by 2050 and to cut carbon emissions by half by 2030. McKinsey Sustainability seeks to be the preeminent impact partner and advisor for our clients, from the board room to the engine room, on sustainability, climate resilience, energy transition, and environmental, social, and governance (ESG). We leverage thought leadership, innovative tools and solutions, top experts, and a vibrant ecosystem of industry associations and knowledge partnerships to lead a wave of innovation and economic growth that safeguards our planet and advances sustainability. <u>www.mckinsey.com/sustainability</u>.

About the C40 Cities Climate Leadership Group

C40 is a network of nearly 100 mayors of the world's leading cities who are working to deliver the urgent action needed right now to confront the climate crisis and create a future where everyone, everywhere can thrive. Mayors of C40 cities are committed to using a science-based and people-focused approach to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities. Through a Global Green New Deal, mayors are working alongside a broad coalition of representatives from labor, business, the youth climate movement and civil society to go further and faster than ever before. The current Chair of C40 is Mayor of Los Angeles Eric Garcetti; and three-term Mayor of New York City Michael R. Bloomberg serves as President of the Board. C40's work is made possible by our three strategic funders: Bloomberg Philanthropies, Children's Investment Fund Foundation (CIFF), and Realdania.



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