



Fit for Urban

How to achieve a sustainable just transition in the face of climate loss and damage

C40
CITIES



In the heart of our bustling cities lies a pressing crisis: urban loss and damage. Vulnerable urban communities in low-lying urban metropolises or exposed to the heat-island effect in cities are already facing risks. By 2050 an estimated 7.4 million people will encounter flooding in at-risk areas, such as coastal or low-lying urban areas.

With cities generating over 80% of the world's GDP, they are economic and cultural hubs, making urban L&D a global problem. But these impacts are also not shared equally. C40 cities in low- and middle-income countries are ten times more likely to be affected by flooding and drought than in high-income countries.

At the same time, most urban expansion is expected in cities of low- and middle-income countries, where 80% of the world's internally displaced people already live, including those

forced to relocate due to climate breakdown. Rapidly expanding urban centres will be at the centre of efforts to drive a just transition to a net zero economy, while also trying to prevent and stem losses. As the UN Secretary-General has said, '[t]he battle to stop climate breakdown will be largely won or lost in cities.'

So how can a city effectively mitigate emissions, ensure a just transition, adapt and prepare to address residual loss and damage all at the same time in a changing climate? Despite shoestring budgets and limited mandates, local governments in the Global South are often at the forefront of just transition and loss and damage actions, especially during crises. C40 with the support of the Scottish Government Climate Justice Fund have set out to find win-win solutions from the heart of most at-risk C40 cities, paving the way for speed, scale and success that leaves no one behind.



So, what have we found?

Three highly effective actions national policy-makers can take with cities in the next twelve months are:

1. Keep working with urban actors to open up direct funding for urban action in global funding processes including the new Loss and Damage fund. As a test case for MDB reform, these opportunities need to be fit for urban transformation and that means access, but also the ability to fund win-win initiatives designed by cities that ease a just transition and loss and damage but are not captured in traditional climate funds.
2. Support 'win-win' interventions that cities have identified can be achieved across mitigation, adaptation loss and damage preparedness, and SDGs, such as investments in social protection infrastructure for informal settlements and workers, including migrant communities.
3. Plan for NDC 3.0 to include urban and national just transition plans and processes. Most NDCs still lack dedicated planning for a just transition, delaying action on climate, and localisation is the key. Locally-led just transition processes are being developed - in partnership with national actors. Their inclusion in planned, funded NDC processes is the best chance of sustainable transformation.

In more detail

C40's [flagship report on urban loss and damage](#) released at COP 28 found that many cities, particularly in the Global South, are already taking action to prevent and address loss and damage. But this action is not always called loss and damage action, leaving cities unable to inform global policy dialogue. The report also found major challenges for cities to access funding, data and support for wrap-around services and social infrastructure.

C40's [masterclass on loss and damage in Addis Ababa](#) responded to this need, bringing together cities from across — including Abidjan, Addis



Pilot projects in cities across Africa are 'win-win'. Waste is Accra's biggest single sector for GHG emissions but most waste management is informal, collected by some of the poorest people in the city who are exposed to the worst climate impacts and potential losses. Working across a just transition and loss and damage spectrum, C40 has supported workers to form their own associations - to win formal contracts

with the city municipality. Collaboration between the informal sector and the city government has increased waste-collection coverage from 75% to 90%, saving the municipality US\$5,460,000 in annual operating costs. With climate impacts threatening their access to livelihoods, the city has now spearheaded new, innovative social insurance models for informal waste workers, paving the way for a truly just transition and city capacity to address loss and damage for most affected communities. This model has been expanded to other cities facing similar but their own unique challenges in Addis Ababa, Freetown and Dar es Salaam.



Building on this, cities that have experienced extreme events and loss and damage in South Africa are now piloting approaches to documenting impacts on **informal workers** with innovative new **loss and damage analyses**. Meanwhile three Global South cities who were awarded grants under the Inclusive Climate Action Cities Fund are educating young people on climate action and helping workers, including women and informal workers to stay in and thrive in green jobs. How to measure loss and damage and design local responses is key for globally developed loss and damage funding mechanisms to be fit for purpose for cities.



In South Africa, cities are establishing the link to a just transition at local and national scales. Cape Town, Ekurhuleni, eThekweni, Johannesburg, and Tshwane are piloting local actions and

strengthening partnerships to achieve a fair transition. This includes Sub-Saharan Africa's first local Just Transition process through Ekurhuleni's Just Transition Forum and dialogue with the national Presidential Climate Commission.



Recognising that cities are designing actions for both a just transition and to prevent or address loss and damage, C40 forthcoming analysis looks at the **landscape for just transition finance and access for cities**. Independent experts at the United Nations University concluded that the Inclusive Climate Action Fund is currently one of the few funding options tailored to cities to propose solutions across just transition and loss and damage and the key gaps include insufficient information on financing opportunities and primarily systemic barriers such as national policy obstacles, city capacity, required scale and readiness of projects, International Financial Institutions' rules, and private investor risk aversion.



A test case for MDB reform and localisation. C40 mayors and the Scottish Government have also engaged a range of policy actors, experts and negotiators. There is strong consensus [link to expert briefing] that direct access and more tailored support to cities is needed, and loss and damage and the just transition will be a test case for MDB reform. Multiple channels will be needed but the key starting point is the upcoming loss and damage fund. There are best practice models in cities and projects ready to scale.



Want to learn more and collaborate with us?

What is urban loss and damage? Find out in [this animated story](#), C40's [flagship report on urban loss and damage](#) and [synthesis report](#) produced by young people for young people.

What actions are cities taking to prevent and address loss and damage? Find out in this interactive [editorial](#) and detailed [case studies](#) for actions highlighted above.

What more do cities and urban areas need to do in partnership with national governments and funders?

Find out more in [C40's flagship report](#) and synthesis report or contact us at C40 Cities [\[EMAIL\]](#)



Scottish Government
Riaghaltas na h-Alba



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