



ROUNDTABLE 4  
CONCEPT NOTE

23 August 2021

# Climate Change Financing in African Cities: Bridging The Financing Gaps For Climate Resilient Urbanization in Africa

## I. Background

Current levels of climate finance in Africa are insufficient to meet the needs to mitigate and adapt to climate change. For adaptation alone, it is estimated that by 2050 the region will need an additional investment of USD 45-50 billion annually, which is likely to increase in the future. With an urban population share of almost 34 per cent and an urban growth rate of 4 per cent in 2019, cities in Africa are especially vulnerable to climate variability and change. Additionally, over half of the urban population in Africa lives in extreme poverty, in unhealthy and insecure housing, and in informal neighborhoods, further exasperating these vulnerabilities.

By 2040, more than half of the African population will be living in cities, which will put great pressure on urban infrastructure, increasing waste production, consumption of energy and demand for mobility, potentially leading to more greenhouse gas emissions.

The impacts of climate change are hitting Africa hard, and the worst is yet to come in terms of flooding, droughts and cyclones affecting food supplies, the economy and health, according to the **World Meteorological Office**.

African cities contribute little to climate disruption but pay a heavy price through the impact of climate change resulting from human activities globally. The adverse effects of climate change felt in Africa constitute an increasing threat to the socioeconomic development of cities and the preservation of natural and man-made resources and ecosystems that guarantee access to basic services, food and water supplies. **UN-Habitat's global report on Cities and Climate Change**, recommends that the international community should facilitate access to financial resources for climate change adaptation in vulnerable cities and disseminate information on climate change science and options for mitigation and adaptation responses. During the launch of the latest **report** from the Intergovernmental Panel on Climate Change (IPCC), the United Nations Secretary-General declared that the public and private sectors must work together to ensure a just and rapid transformation to a net zero global economy. We need to unpack and explore what this might mean for Africa.

Resilience building will require African cities to unlock local, domestic, regional, and international financing - particularly when it comes to green infrastructure investment. African countries and cities in particular face a problem in accessing green finance which leads to challenges in developing strategies to prevent, respond and adapt to the consequences of climate change with a huge impact on the economic viability of cities and their environmental resilience. The resources needed in Africa are enormous and cities need multiple financing mechanisms in place. The role of public and private finance needs to be considered and the diversity of sources and mechanisms that are at play. In addition, building economic resilience has proven to be an essential part of the capacity of African cities to respond to climate related stresses and shocks. This requires, among other factors, solid municipal finances with a stable input of own-source revenues generated locally.

How can African cities overcome the barriers to accessing climate finance to (re)-build zero-carbon cities? A roundtable discussion on climate change finance in Africa during World Habitat Day will explore ways and mechanisms to ensure the financial viability of African cities to cope with the impacts of climate change to build economically and environmentally resilient cities through low carbon development pathways. The roundtable will be conducted in English with simultaneous French translation.

## **II. Objectives**

The objective of the roundtable is to explore ideas and solutions for reducing the difficulties encountered by African cities in mobilizing domestic and international financing for green and climate resilient human settlements, and to incentivize and financially enable a shift to low-carbon or net zero development. Specifically, it will::

- 1) Review gaps and opportunities related to city climate and resilience financing in Africa, and what support cities need from the international community to enhance their ability to finance local climate action.
- 2) Present good practices and cases of successful initiatives to overcome financial challenges related to adaptation and low carbon development in African cities to climate adverse effects.
- 3) Create awareness among decision makers and authorities (national and local) for improved policies and actions for increased financing of urban resilience, and the need for exploring the vertical and horizontal integration of climate change and urban development policies.
- 4) Discuss solutions and innovative approaches towards partnerships (such as PPP) to boost climate financing in the context of rapid urbanization in Africa.