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C40 is a network of mayors of nearly 100 world-leading cities collaborating to deliver the urgent action needed right now to confront the climate crisis. Together, we can create a future where everyone, everywhere can thrive.



#### C40's Theory of Change

Cities are most likely to make a powerful contribution to cutting global emissions and improving resilience if they have a robust climate plan and identified priorities.

**Political will to act is strengthened** through collaboration with the other C40 mayors across the globe and through C40 as an organisation.

**Collective city influence** (97 cities, 700m+ people) is utilised to access resources and partnerships and overcome barriers.

If C40 can support cities in overcoming the most frequent barriers for **action in the most high-impact action areas**, it will demonstrate that it is still possible to deliver the change we need to avert climate breakdown.



#### The C40 Cities network







# C40 Members Include 14 major US Cities



**Austin** 

**Boston** 

Chicago

Houston

**Los Angeles** 

Miami

**New Orleans** 

**New York City** 

Philadelphia

**Phoenix** 

**Portland** 

**San Francisco** 

Seattle

Washington D.C.



#### What is climate budgeting?

C40's definition:

A climate budget is a **governance system** that <u>mainstreams</u> climate commitments and considerations into decision-making on policies, actions and budget through <u>integrating</u> climate targets from the city's Climate Action Plan (CAP) in the <u>financial budget process</u> and assigns responsibility for implementation, monitoring, evaluation and reporting across the city government.

Read more about what it is, what it isn't and how it works <u>here</u>.



#### How does it work?

#### Whole-of-government approach

Shared responsibility

Built on transparency

Informed decision-making

Accountability in actions

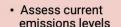
Iterative and continuous

#### CLIMATE BUDGETING | PROCESS

Climate budgeting is a cyclical, collaborative process integrating climate targets and considerations into the city's budget, policies, and decisions.

#### COMMIT

- Mayor engages all parts of city government in climate action
- Chief Financial Officer owns and manages the process



- · Review impact of existing plans on meeting climate targets
- Engage leaders city-wide to identify new projects
- Track the climate impacts of projects
- Strenathen effective actions, address any issues
- · Use lessons learned to improve the process

- Integrate climate considerations into the regular PLAN budget process
  - Ensure projects keep the city on track to meet climate goals
  - Pass the budget through the legislative process
  - Deliver projects across all city departments

Source: C40 Cities

#### Four steps to climate budgeting

Some prerequisites to be met, then cities can undertake the following steps...

Set the foundation

Step 1

Mainstream climate in the budget process

Step 2

Undertake climate budgeting

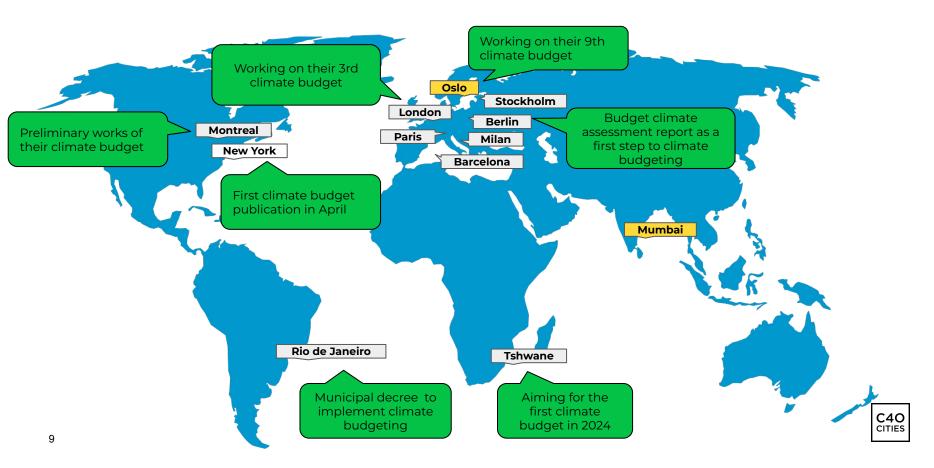
Step 3

Expand, improve and update

Step 4



## Climate mainstreaming in city budgets...



#### London

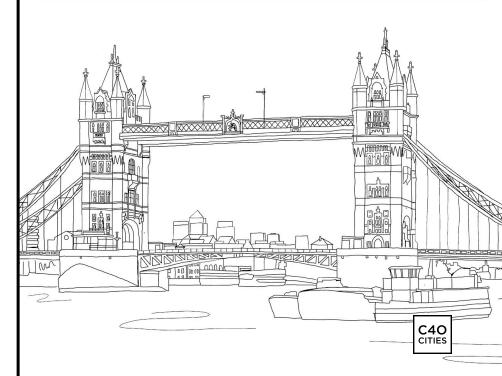
#### Preparing the 3rd climate budget

- Work led by the CFO with a team across climate and finance.
- Use it to deliver London's net zero target to 2030, incl. adaptation actions.
- Applying a 4 year phased approach, expanding from GLA Authority ultimately to supply chain (scope 3).
- Bringing in London's boroughs; ~50 % to have climate budgets in 2024.

Read the Mayor's budget and guidance for 2023-24 and 2024-25 here.

"Cities are key to tackling the climate crisis. In December, London became the first city in C40's climate budget pilot to launch a climate budget, putting climate change at the heart of our financial budget process. C40 Cities has been a crucial partner in this work and I am grateful to the group of 13 climate budget pilot cities, led by the City of Oslo, who have been so pivotal to our success. Through my role as C40 Chair I will work to share the knowledge developed in the pilot and ensure even more cities implement a climate budget in the near future."

- Sadiq Khan, Chair of C40 and the Mayor of London

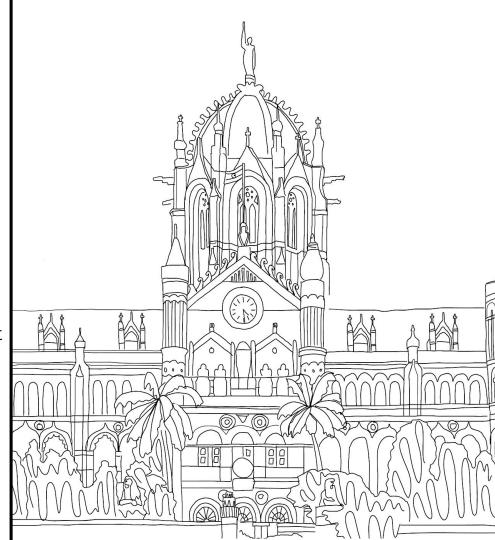


#### Mumbai

#### **Climate budgeting commitment in MCAP**

- To publish their first climate budget imminently with C40 and WRI support.
- Use it to deliver MCAP climate targets for adaptation and mitigation and created a climate cell to lead the work.
- Developed through broad engagement with more than 20 departments.
- Improvements and next steps planned toward the next budget (2025-26).

Read the Mumbai CAP here and the budget speech (2024-25) here.



## Why climate budgeting?

#### CLIMATE BUDGETING | OUTCOMES

Through climate budgeting, cities can deliver benefits to residents more effectively. The process accelerates action leading to...

BETTER

#### **Change management**

- From planning to action
- Holistic approach across sectors
- Break down traditional silos
- Foster collaboration

## Good governance and credible climate leadership!



REDUCED

**EMISSIONS** 

**IMPROVED** 

**AIR QUALITY** 

#### QUALITY OF LIFE **IMPROVED HEALTH OF** RESIDENTS **REDUCED SILOS &** STRENGTHENED COLLABORATION AND INCREASED **HOPE FOR** THE FUTURE

### C40's top tips to get started

Political commitment and administrative leadership

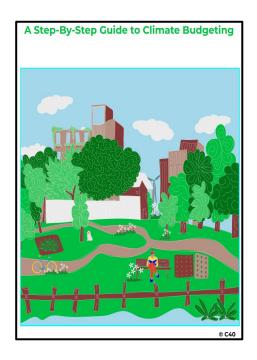
CFO
ownership &
climate
literate
finance team

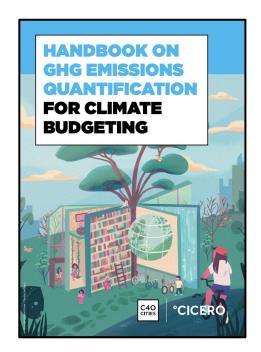
Early involvement of internal stakeholders

Phased approach with annual improvement



#### Learn more through C40 knowledge resources





Climate budgeting: What it is, what it isn't, and how it works Climate budgeting offers cities a way to drive the short-term action that is so desperately needed. This article defines climate budgeting and introduces how it works A step-by-step guide to climate budgeting Practical advice on the prerequisites for climate budgeting and how to se the foundation, mainstream climate in the hudnet process, undertake climate budgeting across the budget cycle, and expand and improve yo How to redesign the city's budget process and documents for climate budgeting In climate budgeting, the city proposes, adopts, implements, monitors and reports on climate measures as part of the financial budgeting process. Updating the city's budgetary documents and processes is a critical step. This article looks at how Policy Briefs November 2021 Climate budgets: Why your city needs one Climate budgeting helps cities transform how they govern and delive climate action to meet net zero targets. Here we explain what climate budgets are and the benefits they offer. How to use climate budgeting to mainstream climate action across the city government

Step-by-Step Guide to Climate Budgeting

Handbook on GHG quantification

C40 Knowledge Hub



## Any questions?

C40 CITIES

Thank you for listening and supporting our work!

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