

2023



The Ambition Gap *From Intent to Implementation in Local Climate Action*

POLICY BRIEF



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From Our Executive Director

Local governments embarked on climate and sustainability planning 30 years ago, largely driven by ICLEI-Local Governments for Sustainability (ICLEI) and early leadership commitments as part of the Clean Air and Climate Protection (CACP) program. The 2000s were focused on energy efficiency and the creation of green-building standards, most notably the U.S. Green Building Council (USGBC) LEED rating system. In 2007, ICLEI teamed up with USGBC and the Center for American Progress to establish a Green City Index — which came to be known as the STAR Communities Program. With hopes pinned on the 2009 UN climate change conference in Copenhagen, local governments expected a boost through national and international focus on climate change that did not materialize. A decade later, three conditions exist that could contribute to success in local climate action:

- **Renewable Energy.** Wind and solar are now the lowest-cost resources for new electric power generation in most of the world. In 2020, 90% of all new electricity-generating resources were powered by renewable energy.
- **Data Driven Policy.** The availability of climate data and analysis and the related sophistication of local climate policy provide practitioners and local decision makers with science-based-targets and high-impact actions to align local climate plans to meet the urgency of this moment.
- **Federal Investment.** The American Recovery Program (ARP), Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) represent the most significant financial investment in climate related funding in the nations' history. Each legislative package, with the assistance of Congress, provides large infusions of capital that will catalyze access for local governments to billions of dollars to address issues ranging from expansion of renewable energy to electrification of buildings and transportation systems to environmental justice.

However, gaps in municipal activation of climate action efforts remain. Too many local governments feel stymied by an “analysis and planning cycle” that occupies time and resources that could be applied to program implementation. An identified gap is the need for better coordination and awareness of climate activities with budget and purchasing processes. Municipalities have a unique set of policy, budget and procurement tools that can advance meaningful climate action. Fostering intentional collaboration between sustainability, budget and procurement officers can yield a whole of government approach to climate action and prepare municipalities to better use their financial capabilities to address climate change.

Leveraging existing resources through municipal and county budgets provide a critical starting point and an immediate opportunity to make critical climate investments and mitigate the accumulating costs associated with weather-born events. By aligning resources, staffing, and priorities across departments, local governments can maximize this unprecedented moment of federal investment in community decarbonization and resilience.

The findings in this brief recognize the urgency of the climate crisis and the present opportunities and challenges of local governments as they push to accelerate climate implementation between now and 2030. The recommendations we provide—for local governments and the networks serving them—are based on more than 50 focused conversations over the last 6 months and hundreds more experiences with ICLEI member communities during the past several years. Altogether, these findings point toward a whole-of-government approach to budgeting paired with advanced, delivery-oriented project management as the recipe for fully seizing this climate opportunity.



Angie Fyfe “

ICLEI USA Executive Director

Policy Brief Background

During 2022, ICLEI engaged in a series of informational sessions with its members to determine the implementation priorities, barriers, and support needs associated with moving beyond planning into actionable sustainability work. These insights culminate in this policy brief covering the following topics:

1. Increase in availability of federal funding for local governments to address climate action.
2. The need for bespoke technical assistance approaches for each member.
3. Understanding the placement and roles of sustainability teams within local government.
4. A recognition of the agency and capacity of members.
5. The importance of elected leadership.

The discussions with members uncovered the disparity between the human and financial capacity allocated by local governments and the goals and ambitions that are being established as part of climate action plans. We define this disparity as the “ambition gap”, a recognition by many local governments of the need to take significant action on climate, but limiting the level of resource allocation to meet the levels of support required to meet their targets and goals. This policy brief intends to initiate a process to appropriate greater human and financial resource allocation towards execution of attainment of municipal climate targets.

Situation (Methodology)

Over the course of the first quarter of 2022, five focused conversations of ICLEI member cities’ and counties’ technical contacts were conducted to understand the climate program implementation priorities, barriers, and needs. These focus conversations augmented 45 generalized member-support conversations from the previous 6 months, with both technical staff and elected leadership, that also included a substantive discussion on implementation activities. Members were representative of a cross section of municipal size, government structure, and staff capacity. Interviews were supplemented with a review of surveys of ICLEI members conducted in quarter four of 2021 and the subsequent evaluations of proposals for the ICLEI USA Action Fund Proposals submitted during May 2022.

The need to accelerate local government action on climate change is increasingly urgent as recent reports by the International Panel on Climate Change (IPCC) and Congress of Parties (COP26) proceedings in Glasgow, Scotland, have underscored, time is limited to address the cataclysmic threats of climate change. Various city network efforts, such as 100 Resilient Cities sponsored by the Rockefeller Foundation and American Cities Climate Challenge supported by the Bloomberg Philanthropies, have worked to support local governments’ efforts to build capacity to address both climate adaptation and mitigation. While these efforts have been successful, extending the lessons learned and the capacity required to support systemic capacity building within local communities remains under-capitalized. Local government operations need significant realignments if they are going to provide the systems shift needed to prepare for the new realities of climate pressures.

Two recent activities could portend well for local governments working to address the challenges of climate change.

First, the Biden Administration’s creation of three significant funding mechanisms open to local governments: the American Recovery Program (ARP), Infrastructure Investment and Jobs Act (IJA) and the Inflation Reduction Act (IRA) represent the most significant financial investment in climate related funding in the nations’ history. Each legislative package, with the assistance of Congress, provides large infusions of capital that will catalyze access for local governments to billions of dollars to address issues ranging from expansion of renewable energy to electrification of buildings and transportation systems to environmental justice.

Second, while the U.S. federal government is providing significant capital investments to address climate change, new systems related to Environmental Social and Governance (ESG) accountability — supported by regulating agencies such as the United States Securities and Exchange Commission (SEC) and corporate coordination bodies like the Task Force on Climate Financial Disclosures (TCFD) — are driving changes within corporate leadership to address climate and social needs. The recognition by capital markets of the opportunities and threats of the climate crises are helping to advance the energy transition, accelerate the adoption of the United Nations Sustainable Development Goals (SDGs), and shifting both the delivery of business practices and allocations of more sustainable capital strategies.

Alignment of shared frameworks, a common language, and the infusion of capital to invest in climate mitigation and adaptation activities creates an opportunity to provide for public private partnerships that can accelerate municipal climate priorities.

As the challenges of climate change quicken, local governments will face greater financial and operational exposure to weather-born uncertainties, population shifts related to climate migration, infrastructure failure, and workforce constraints. Building additional support systems and technical assistance measures are needed to respond to these challenges. As a network of local governments, ICLEI sits in a unique position at the confluence of local government innovation and building human and organizational capacity to these challenges.



Background

Over its 30-year history, ICLEI has provided technical assistance, tools, and training to 673 U.S. city, town and county members. More than 300 additional communities have been served through various ICLEI programs, such as the California Statewide Energy Efficiency Collaborative and statewide programs in Indiana, Pennsylvania, Florida, and Iowa. Looking at only the past four years, ICLEI supplied an average 1,500 direct technical support hours annually to local governments, including to 377 that participated in group-learning cohorts. While technical hours predominately respond to community interest in ICLEI’s low-emissions work — more than 700 jurisdictions created greenhouse gas emissions inventories, forecasts and planning scenarios during this time — a growing number engage in ICLEI’s supportive pathways: equity, nature, resilience and circularity.

This work has influenced the emissions trajectories of U.S. communities, an assumption supported by recent research linking local government involvement in ICLEI to demonstrable greenhouse gas reduction. Despite this reach and progress, local emissions reduction has not reached levels necessary to secure the goals of the Paris Agreement, limit global average warming to no more than 1.5 degrees Celsius, or account for the fair share of reduction particularly needed from U.S. communities. For example, in 2021, ICLEI analysis showed that the median per-capita science-based target (the 2030 goal needed to achieve mid-century climate neutrality) for U.S. local governments is 63.3% reduction. Under a realistic, though ambitious, set of assumptions, it is possible for most U.S. local communities to reduce per-capita emissions by 63% or more by 2030 — yet by March 2022, fewer than 150 U.S. cities and counties had adopted this level of ambition. Only a handful are on track to meet their targets.

The disconnect between local government interest in climate action — including a long history of analysis and planning for it — and the ambitious, lasting emissions-reduction needed is troubling. But what are the root causes of this disconnect?

At least partial answers were gleaned during ICLEI’s experience delivering on a work plan for the Cities Race to Zero initiative, a 2021 campaign of the UK COP26 Presidency in the leadup to the United Nations’ climate conference in Glasgow that year. The vision from the UK Government included registering 1,000 global cities in a “Cities Race to Zero” (complementing campaigns for business, industry, higher education, and other sectors), whereby each city committed to a 2030 climate target that would give the world a fighting chance to meet the Paris Agreement goals.

Given their decades of planning, one might have anticipated hundreds of U.S. communities swiftly committing to the Cities Race to Zero. And although a heroic group of leading cities did join (73% of the 132 U.S. communities joining ahead of COP26 are ICLEI members), the numbers committed to reach climate neutrality with adopted science-based targets are far too low to secure a future avoiding the worst impacts of climate change. ICLEI learned that:

- Currently, climate goal-setting in U.S. communities is as much a political exercise — requiring strong mayoral or council buy-in — as it is an exercise in setting policy based on scientific facts.
- Adopting updated climate targets takes time, and the timeline does not always align with a United Nations conference or other event deadline.
- Communities’ climate action planning process (and goal-setting) are cyclical. Many will choose to wait until a future CAP update to review existing targets and set new ones. Only a few years ago, a popular (and ambitious) goal for communities was to reduce emissions 80% by 2050; a significant number interpret this level of ambition as already difficult enough to reach.
- A group of U.S. communities are committed to 2050 climate neutrality, but either lack an interim target (such as for 2030) or their interim target is less than 50% reduction—significantly lower than the average 62 to 64% reduction by 2030 that ICLEI analysis shows is needed.
- Finally, cities and counties often recognize their predisposition to become stuck in a planning cycle, whereby multiple rounds of climate planning and goal updates pass without demonstrable reduction in greenhouse gas emission. This recognition can lead to reluctance for adopting more ambitious targets that may not be met.

This last point is worth emphasizing and has been corroborated by current and former city sustainability directors who call for an urgent change in approach. Identifying a few “symptoms” of the current state of local climate planning — focusing on effects rather than causes, siloed technocratic approaches, and limited course-correcting — the group offers a few “cures”: recentring on equity, promoting regional approaches and state-level programs, streamlining emissions accounting, and reimagining climate governance as local (as opposed to purely for nations).



ICLEI USA actively responds to these critiques, along with those from our own analysis of the ambition gap, in a number of ways. While the bulk of this paper looks at the needed course-correction within local government processes, outlining a few other advances in cures gives context:

1. Streamlining assessment. The 2022 - 2023 update to the U.S. Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions introduces a “Dash” track, which streamlines the emissions-accounting process using new data sources, such as the Google Environmental Insights Explorer and Utility Data Registry, to enable moving toward a “GHG inventory in a day”.
2. Elevating equity. The U.S. Community Protocol (USCP) update also introduces considerations around equity and climate adaptation into the accounting process for the first time. Moreover, the Malmö Commitment, the key strategy document adopted during ICLEI World Congress 2022, centers social equity as the foundational tenet of local sustainability efforts, including several prescriptive actions (ie developing equity indicators and monitoring their progress over time) all cities should take.
3. Enabling next-generation insights. A “USCP Plus” track for deeper insights includes supply chain, consumption-based, forest and land use emissions accounting guidance (each with their own equity implications).
4. Acting regionally. State- and region-wide emissions accounting, climate vulnerability assessment, and climate planning activities led by ICLEI are completed or are underway in more than 10 U.S. states and utility regions. For example, ICLEI and the Tennessee Valley Authority have partnered to deliver emissions-reduction pathways to several local power companies and their host communities. ICLEI’s regional affiliate members have grown from zero in 2016 to 16 today.
5. Advocating for local approaches. As a key outcome from COP26, the Local Government and Municipal Authorities (LGMA) constituency group to UN Climate Change, led by ICLEI as focal organization, was successful in securing multiple references of “multilevel and cooperative action” in the Glasgow Climate Pact. Long an advocacy aim of the LGMA, these references unlock a “second phase” of the Paris Agreement characterized by climate processes inclusive of local governments.

Finally, recognizing that finance is often cited as a linchpin to implementation, ICLEI partnered with Google.org’s support to launch an ICLEI Action Fund in 2022, providing grant funding to projects that demonstrate an ability to produce deep decarbonization in a short timeframe, a high level of replicability, innovative technology solutions, and the ability to uplift equitable outcomes. Philanthropy is but one finance pathway to implementation, but an important one that can offer a convening authority and focusing power for solutions which can be scaled.

Findings & Recommendations

The timing of local government inaction on climate could not be more perilous. American local governments are facing a “delivery crisis”. Between the shocks and stressors of the pandemic, infusion of infrastructure resources from the federal government, workforce shortages, a favorable borrowing environment, and limitations on capabilities and project management structures, the possibility of “missing the moment” of reducing emissions and preparing communities for weatherborn impacts is pending.

With the aim to draw actionable conclusions about which root causes underpin the ambition gap, and where a city network such as ICLEI can help local governments break through the planning cycle’s barriers into implementation, the 50 interviews conducted since late 2021 yielded seven findings that, while seemingly apparent, are key to acknowledge and support the activation of recommendations for ICLEI staff and members:

Finding # 1: Local governments can get stuck in a “failure-to-launch” cycle.

Technical assistance organizations, such as ICLEI, can better support municipalities by investing resources in “action activities”, such as project design and delivery, climate-aligned budgeting, and procurement design.

For purposes of discussion, we’ve identified six phases of climate action execution in local government:

1. Discovery: The development of the GHG inventory and identification of climate risks, opportunities and threats.
2. Planning: The creation of the climate action plan that guides activities of either mitigation, adaptation or both.
3. Scoping: The design of specific activities originating from the climate plan
4. Budgeting: Integration of climate action and resource allocation to support the climate plan through revenue streams, or new financial structures.
5. Procurement: Purchasing or selection of specific tools, infrastructures or human resources to support the delivery of the climate plan
6. Delivery: Execution of a project task, process or asset allocation identified in the climate plan.

While these phases are not always sequential and some governments may engage in various points of delivery at different times, having decision support and planning capabilities integrated with the skills of project management and execution allow for local governments to create measurable and accountable climate programming.

Often Phases 1 and 2 are led by the sustainability or climate teams; however, many times the resources required for implementation (Phases 3 through 6) are located in a separate office or department. This bifurcation of responsibility leads to a situation where the ambitions conveyed through discovery and planning are not necessarily extended into or “owned” by teams responsible for accountability or project delivery. By separating planning teams and project-implementation teams, a mismatch between delivery and intended ambition occurs and often underpins the inability to fully execute planned climate priorities.

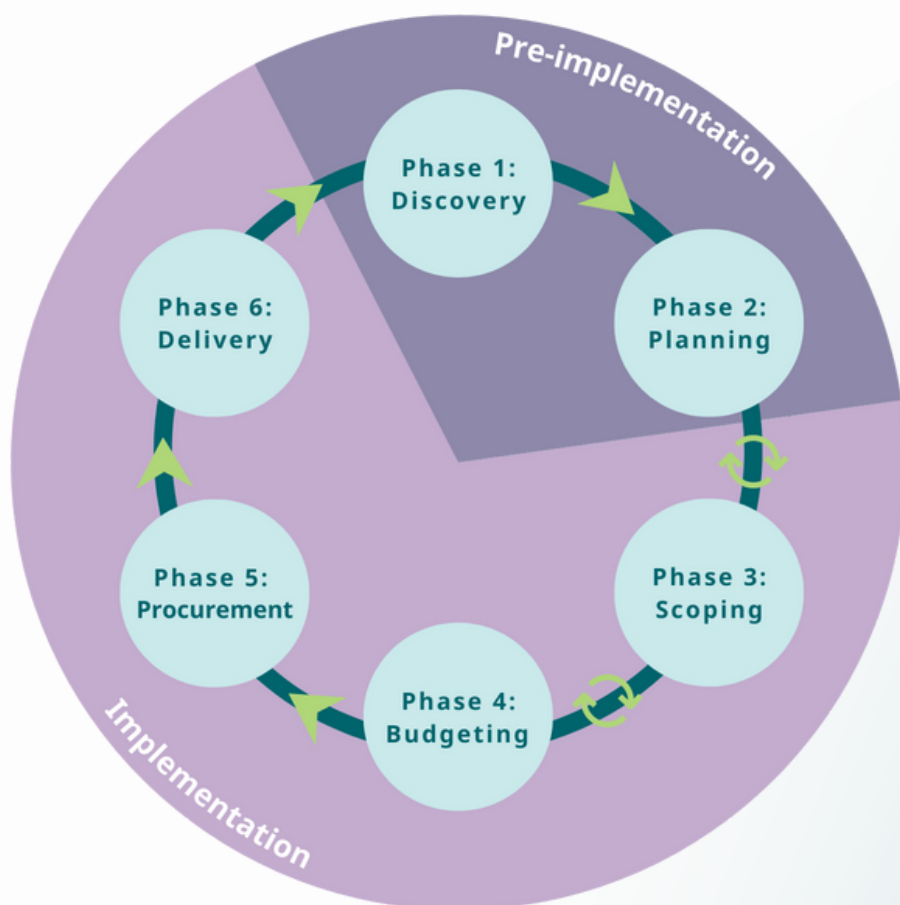
Even the best local governments experience aspects of the “failure-to-launch” cycle of continued analysis and planning, with limited attention to budgeting, project management, and procurement. The first step to recovery is for the local government to recognize it suffers from this problem. From here, governments can reorient around the notion that success requires an acknowledgement of true capabilities and responsibilities and ensure that Phases 1 and 2 (and the people who lead them) are integrated in all aspects of Phases 3 through 6. Climate action is not a unique activity of public administration. Successful project delivery examples from public health, information technology and economic development all exist. Climate action programming can yield similar benefits from these specializations as well.

Recommendation for local government-serving partners:

Accelerate local government access to partnership and procurement opportunities that support implementation and aid in project management, budgeting and accountability.

Recommendation for local governments:

Move beyond climate planning and invest most time and resources into the implementation of climate action.



Finding #2: An unprecedented amount of federal investment is being directed to climate action. Successful deployment requires the acknowledgement of local governments' agency and capacity.

The Biden-Harris Administration has provided an unprecedented amount of resources available to local governments. The amount of resources, coupled with regulatory complexity and operational challenges resulting from the pandemic are placing strains on local governments ability to deliver on the intents of the funding and support 'normal' operations.

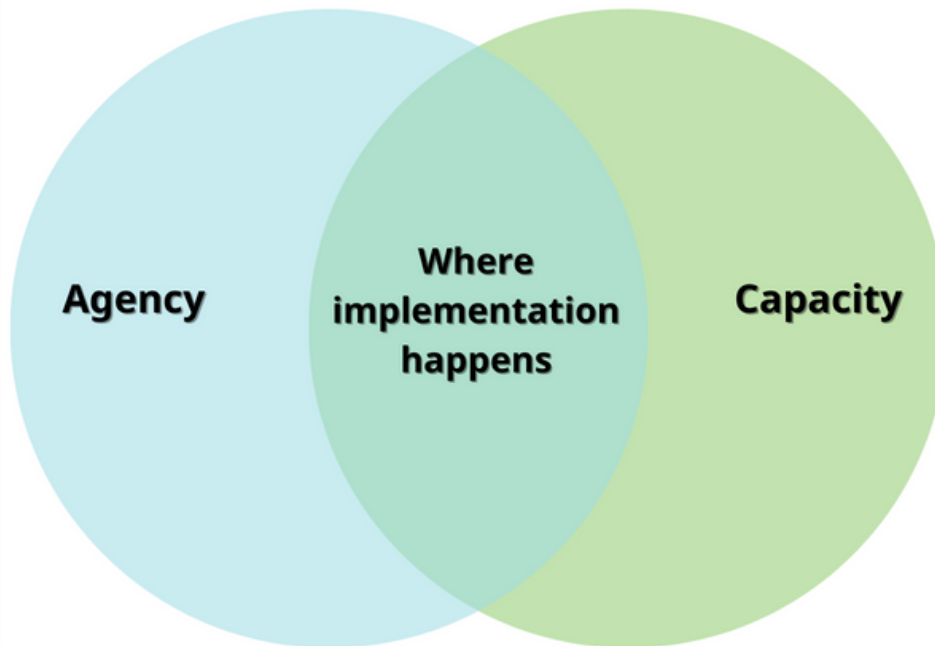
Municipalities require leadership development to build strategic alignment with programs such as the Infrastructure Investment and Jobs Act (IIJA), Inflation Reduction Act (IRA) and American Rescue Plan (ARP) and the needs of their climate action plans. It is important to acknowledge that only municipalities of a certain size have access to these resources. There is an important role for states, regional entities, and NGOs to support villages and towns that are also facing the complex challenges associated with climate change but for which population limitations restrict them from direct access to federal programs.

Federal financial tools are designed to make strategic investments in areas such as facilities and capital stock, transportation systems, broadband technologies, and human capacity development. Assessment of the agency and capacity of a local governments' operations is a critical first step in assuring the alignment of needs and opportunities that federal resources can leverage for the local government's operations and the community it serves.

Agency, for the purpose of this paper, is the local government's locus of power — its authority, codified responsibilities, and physical jurisdiction to provide services or infrastructure. Examples of agency can be seen in public safety services, including for police, fire, and emergency response, road and bridge maintenance, land use planning and zoning, and revenue generation or taxation capacities as defined by the state.

Meanwhile, capacity includes the financial or human resources that a local government can allocate to a service or project. Examples of capacity may include the number of people in a division or department, the location in government, roles and responsibilities, budgeting authority, the form of government (i.e. strong mayor, manager, council led). Sharing public management practices working (or not working) and their relationship to climate action is needed in local governments. The lack of awareness of both agency and capacity impact the local government's ability to advance implementation which is when agency intersects with capacity.

In order to maximize their impact, when addressing the climate challenge, local governments must operate at the intersection of agency (power) and capacity (human and financial resources).



Realizing the powers available to influence climate action and the assignment of responsibility within the operational and policy capacities of local governments can be major contributors to emissions reduction or adaptation efforts. Marshaling resources much the way local governments provide public safety services or invest in public infrastructure provide replicable frameworks for climate action.

Recommendation for local government-serving partners:

Help local governments identify and align their agency and capacity of resources for targeted implementation strategies utilizing tactical member assessments.

Recommendation for local governments:

Acknowledge and assess the municipality’s existing agency and capacity in order to improve alignment, access and deployment of fiscal resources.

Finding #3 Major credit rating agencies are moving toward climate-informed ratings for local governments, but few cities feel prepared. Non-financial performance ratings, such as environmental social governance (ESG) measures and climate risks, are influencing financial ratings agencies' assessments of municipal fiscal health.

During the past three years, a rapidly increasing number of ICLEI members report discussions with credit rating agencies, which have conducted informational interviews with local governments as they begin to restructure ratings that account for environmental, social, and governance (ESG) risk, including risk associated with climate hazards. By the end of 2021, the “Big Three” credit rating agencies in particular — S&P Global Ratings (S&P), Moody's, and Fitch Group — began issuing guidance memos revealing their thinking around risk. One memo shared with ICLEI summarizes: “We seek to incorporate all material credit considerations, including ESG issues, into ratings and to take the most forward-looking perspective that visibility into these risks and related mitigants permits.”

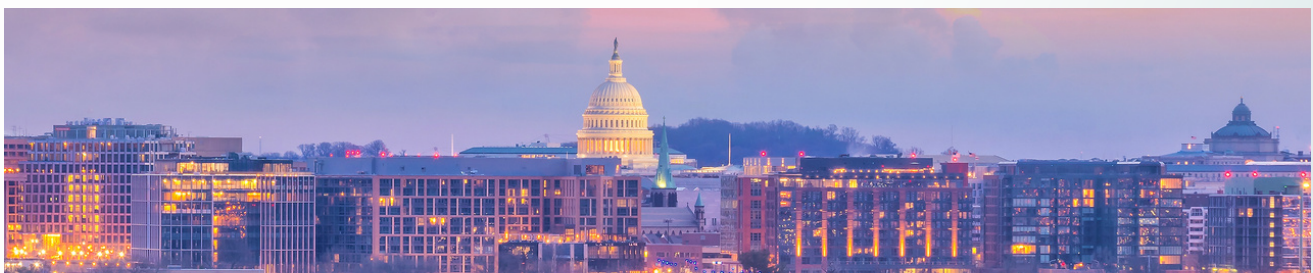
Meanwhile, local governments, for the most part, are not acknowledging the financial impacts of climate change and the implications they will have on budget management or their ability to access structured financial solutions. Budgets, bond ratings, and revenue risks associated with climate induced activities must be incorporated with standard financial analysis. Impacts such as waste and pollution, water availability, depletion of natural capital and physical climate risks are being evaluated by financial markets. Municipal consideration of climate costs and carbon regulations can help prevent or remediate these risks — ultimately safeguarding municipal credit ratings.

Recommendation for local government-serving partners:

Introduce new partnerships and business evaluation tools that integrate environmental, social and governance (ESG) assessments and climate risk evaluations.

Recommendation for local governments:

Evaluate and communicate the financial implications of climate change and include them in municipal financial models and budget documentation.



Finding #4: Local governments are not using all of their existing financial and policy capabilities to support climate action.

Many local governments, especially ICLEI members, are establishing audacious and necessary climate targets, but these entities are not realizing all of their policy or budget and financial capabilities to meet their intended climate ambitions. In addition to budget capacity, recognition and alignment of capabilities such as a municipality's purchasing capabilities can create direct and measurable impacts for a municipality's climate action plan. Similarly understanding tools such as legislative or code measures, resident and business cooperation and the ability to communicate directly to residents can help support and advance climate action.

Additional tools, partnerships, and financial support is required to make such shifts. Local governments also often have considerable advocacy and other influencing channels that are not fully utilized. Consider these options from the interviews:

- “Local governments, in addition to leveraging financial resources, must also utilize their code and policy making capabilities to set standards for roads, buildings and land use tools.”
- “ Procurement capabilities are an untapped resource among many local governments to implement climate action and more equitable practices.”

Recognition of these capabilities requires the creation of new systems of support and technical assistance partnerships that can support the needs of local governments and build their ability to use the full suite of resources.

Recommendation for local government-serving partners:

Build a professional services partnership network that enables financial, technology, and project-delivery support that advances members' climate plan implementation.

Recommendation for local governments:

Improve the integration and alignment of budgetary and staffing resources and policy tools to be consistent with execution of climate plan objectives.



Finding #5: Cooperation between financial officers and sustainability officers is largely not happening but is essential to realizing municipal decarbonization.

Coordination between financial and climate leadership presents opportunities to design budgets and projects with the co-benefits of economic recovery, equity, and climate action. Chief Financial Officers and Chief Sustainability Officers need better forms of communication and cooperation to create meaningful outcome based budgets and accelerated project delivery. At the core of relationship building is the need to create a shared space and understanding of language between financial practices and sustainability intentions.

Sustainability and climate related measures are often perceived by municipal financial professionals as “additive” or “nice to have” activities, rather than core operational components of municipal operations and fiscal performance.

Finance and budgeting activities are confusing and opaque practices in the minds of many sustainability professionals. Budget season is met with skepticism and viewed as an area where sustainability and climate activities are outliers to the traditional budget process versus an integrated component of evaluation.

Many decarbonization activities are common components of a municipality’s budget. Line items such as fleet services, utilities or energy services and buildings and facility operations contain the existing financial resources that, when repurposed for ‘climate activities’ can yield priority actions such as renewable energy purchasing, electric vehicle transitions or building energy efficiency. Building the bridge between climate plan activation and budgetary coordination begins with creation of cooperation and communication between budget and sustainability leaders.

Recommendation for local government-serving partners:

Increase collaborations between local government finance and sustainability offices through joint programming opportunities, including member cohorts and connections to strategic ventures that support municipal fiscal analysis and project management.

Recommendation for local governments:

Create collaboration structures between financial officers and sustainability officers that align with the climate action plans and annual fiscal decision-making.



Finding #6: Local governments are in need of increased cross-departmental collaboration on climate action.

Successful implementation of climate action cannot be reliant on a single department or solely the responsibility of a sustainability or environmental team. Acceleration of municipal climate action requires a “whole of government” approach and cooperation between various departments and agencies.

Addressing the “ambition gap” referenced in the title of this document speaks to the spread between the emissions-reduction targets and intentions established in local climate plans, with the realities of delivery capabilities assigned to shift systems at the scale needed to actually implement what is published in these plans. Consider remarks from several interviews:

- “Reducing emissions by 50 percent by the year 2030 will not happen with only two people charged with making it happen.”
- “Mayor’s and councils must provide financial resources and create systems of accountability across local government operations.”
- “Systems of accountability and performance reviews must be connected to the climate action plan.”
- “Establishment of project teams is required to work across department collaboration, but also facilitate dedicated project management capabilities and responsibilities.”

Local governments, like enterprises of all sizes, struggle with siloed approaches and the compartmentalization of responsibilities. Facilitation of cross-departmental collaboration through a common, or shared responsibility assigned by leadership creates opportunities for organizational resilience and the focused attention that optimizes resources. Climate action requires the engagement and utilization of human and financial resources and expertise that can be supplied by multiple departments.

Numerous local governments through our analysis decry the “lack of capacity” or “the need for more people, more money” to tackle the challenges established by a climate action plan. However, not much discussion is allocated to issues such as leadership's ability to assign accountability — that is who is responsible and why this department? . In many cases, the local government staff members assigned the responsibility of establishing emissions inventories, discovering potential climate solutions, or developing climate action plans are not the same team members that would or should be assigned to implement the actions. Moreover, those currently tasked with climate planning activities are most often not empowered with the authority to budget for, design, or execute the delivery of specific actions.

Stronger cross-departmental collaboration can help bridge between discovery and planning activities; and budgeting and program delivery tasks.

Recommendation for local government-serving partners:

Aid local governments through cross-departmental programming and strategic cooperation that engages sustainability teams with other agencies in their municipality.

Recommendation for local governments:

Assess existing government powers and human and financial resources, in order to leverage opportunities for partnerships with other government agencies in their municipality that align with climate plans.

Finding #7: Special ingredients do exist for climate action plan implementation success. Municipalities have unique tools available to them to address climate change, but they require a bespoke support approach.

Diversity among municipalities requires a bespoke approach to advisory services. Successful plan implementation lies at the intersection of agency and capacity. Local governments need to acknowledge their agency and capacity and create reasonable expectations of success. Leadership is needed to select priorities and assign responsibilities. Here is a sampling of the supportive environment that is necessary to make progress at the local level for climate action:

- Engaged leadership (Council, department directors, Mayor and/or Manager)
- Centralized location of climate action team within municipal operations
- Ability to work within the structures of government (Mayor, Council, Town Manager)
- An aptitude for building and leveraging strong partnerships with higher education, community foundations, community-based organizations, technical-support NGOs, utilities and private industry.
- Climate-aligned budgeting - Municipalities have existing budget resources. These financial resources exist within familiar line items such as facilities, fleet services and public works.

Shaping these resources to meet the needs of climate plans requires diligence and cooperation across departments to both leverage existing dollars or identify new money or policies required to meet the need of emissions reduction and adaptation. Municipalities also must begin to realize the 'cost of inaction' that accumulation of deferred maintenance or indifference to transitioning energy and fleet resources will have a compounding effect on future budgets and their tax bases.

Recommendation for local government-serving partners:

Increase collaborations between local government finance and sustainability offices through joint programming opportunities, including peer-learning cohorts and connections to strategic ventures that support municipal fiscal analysis and project management.

Recommendation for local governments:

Create collaboration structures between financial officers and sustainability officers that align with the climate action plans and annual fiscal decision-making.

Spectrum of Climate Implementation

Every community may find themselves at a different junction regarding climate action implementation readiness. Communities that find themselves towards the left side of the spectrum should focus on easier, quick win actions that don't require much human or financial capacity. As they build capacity over time, they should be able to move along the continuum.

Formative

Advanced



Leadership Support	<input type="checkbox"/> No engagement Management 1	<input type="checkbox"/> Management has been engaged or briefed 2	<input type="checkbox"/> Management has requested information or action 3	<input type="checkbox"/> Management is seeking or pursuing resources or policy development 4	<input type="checkbox"/> Management has approved budget resources and assigning responsibilities for delivery 5
Agency	<input type="checkbox"/> No recognition of the role(s) of government 1	<input type="checkbox"/> Limited understanding of departments and services 2	<input type="checkbox"/> Ability to identify critical services and resources 3	<input type="checkbox"/> Understanding of key people and decision process 4	<input type="checkbox"/> Ability to navigate budget and policy making process 5
Capacity: Staffing	<input type="checkbox"/> No assigned staff 1	<input type="checkbox"/> 1-2 staff assigned to acting on determined projects 2	<input type="checkbox"/> Cross Department communication is functional and occurring 3	<input type="checkbox"/> Multiple departments and agencies are engaged and assigned responsibilities 4	<input type="checkbox"/> Clear demonstration of cross department capabilities to execute identified project 5
Capacity: Fund-alignment	<input type="checkbox"/> Zero budget available 1	<input type="checkbox"/> Budget resources or program budget in development 2	<input type="checkbox"/> Budget resources are identified and integrated into budget cycle 3	<input type="checkbox"/> Budget reflect and are approved by governing body 4	<input type="checkbox"/> Resources are budgeted and allocated 5
Community Involvement	<input type="checkbox"/> No community engagement has occurred 1	<input type="checkbox"/> Community has been notified of project 2	<input type="checkbox"/> Community's input has been solicited and meaningfully incorporated 3	<input type="checkbox"/> Community members are active stakeholders in project development 4	<input type="checkbox"/> Community members are co-investors or co-developers working towards delivery 5
Partnerships	<input type="checkbox"/> Project has no partners 1	<input type="checkbox"/> Project is working to identify potential collaborations 2	<input type="checkbox"/> Key partners are identified and being engaged 3	<input type="checkbox"/> Partners are engaged and co-creating program delivery design 4	<input type="checkbox"/> Partnerships have a formal agreement and outline of expectations 5

Legend

- 1-10 Formative Stage
- 11-20 Intermediate Stage
- 21-30 Advanced Stage

(Left = Foundational (Small Projects) / Right = Transformative (Larger Projects)) towards more difficult and transformation projects. The Readiness score process is a self assessment tool for ICLEI Members and Membership Team to co-design technical support services.

Recommendations for Local Governments and Local Government-Serving Networks and Partners

Recommendations	For local government-serving networks	For Local Governments
Recommendation 1	Accelerate local government access to partnership and procurement opportunities that support implementation and aid in project management, budgeting and accountability.	Move beyond climate planning and invest most time and resources into the implementation of climate action.
Recommendation 2	Help local governments identify and align their agency and capacity of resources for targeted implementation strategies utilizing tactical member assessments.	Acknowledge and assess the municipality's existing agency and capacity in order to improve alignment, access and deployment of fiscal resources.
Recommendation 3	Introduce new partnerships and business evaluation tools that integrate environmental, social and governance (ESG) assessments and climate risk evaluations.	Evaluate and communicate the financial implications of climate change and include them in municipal financial models and budget documentation.
Recommendation 4	Build a professional services partnership network that enables financial, technology, and project-delivery support that advances members' climate plan implementation.	Improve the integration and alignment of budgetary and staffing resources and policy tools to be consistent with execution of climate plan objectives.
Recommendation 5	Increase collaborations between local government finance and sustainability offices through joint programming opportunities, including member cohorts and connections to strategic ventures that support municipal fiscal analysis and project management.	Create collaboration structures between financial officers and sustainability officers that align with the climate action plans and annual fiscal decision-making.
Recommendation 6	Aid local governments through cross-departmental programming and strategic cooperation that engages sustainability teams with other agencies in their municipality.	Assess existing government powers and human and financial resources, in order to leverage opportunities for partnerships with other government agencies in their municipality that align with climate plans.
Recommendation 7	Help communities formulate baseline understanding of their capabilities and implementation tools; and offer community collaborations that can aid in successful program delivery.	Identify a tailored approach that works for your community and its agency and capacity.

Summary

The landscape for municipal climate action has drastically changed in recent years. Having cycled through many rounds of planning for years, the time for local governments to aggressively move into implementation and delivery modes is overdue. As a consequence, the negative implications of the climate crises are recognizable to many frontline actors within municipal governments: Extreme heat, significant increases and decreases in precipitation, increases in storm intensity, wildfires, and more are confronting daily operations, straining financial resources, and hampering service delivery for communities of all sizes and resource capacities.

Meanwhile, once-in-a-generation federal investment in decarbonization and private sector alignment with climate and ESG principles have surprised many despite years of advocacy by ICLEI and its partner network. Closing the gap between ambitious emissions-reductions targets and actually achieving them requires an immediate shift in focus toward execution and delivery.

ICLEI is well positioned to support local governments in their journey moving beyond planning into delivery. This transition requires municipal staff—in both traditional sustainability roles and financial roles—building new and different skill sets and establishing new partnerships focused on activation.

If municipal governments are going to take advantage of the new federal resources and private sector partnerships, they will need an improved understanding of the suite of powers available to them. In this new era of local climate action, only those communities that adopt a whole-of-government approach will succeed in meeting the climate emergency moment we are in.



