Cities are pivotal due to their demographic, economic and environmental profile, but not yet fully recognized as fundamental players in meeting the SDGs and Paris Agreement. Climate impacts are leading to increasing hunger, poverty, and loss and damage, with Global South cities bearing the brunt of the world's inability to reduce social inequalities and emissions, despite being the least responsible. Cities face a systemic development finance gap, with only a small portion of international finance reaching local investments: in the area of climate finance, cities globally received only 7-8% of the $4.5 - $5.4 trillion needed in 2018, with this gap significantly more pronounced in the Global South. The Urban 20 (U20), an engagement group of the G20 co-convened by C40 and UCLG will present a full Communique in November 2024 to the G20 Presidency. From the priorities defined by the 2024 presidency and in line with the priorities of the forthcoming U20 Communique, the U20 Co-Chairs resolve to request to G20 Leaders the following to support in their delivery:

1. INCREASE SOCIAL INCLUSION, FIGHT AGAINST HUNGER AND POVERTY

(i) Address inequalities and their root causes to leave no one behind: Guarantee the rights, needs and aspirations of the historically marginalized, foster gender equality and facilitate people’s participation, developing a new social contract as called for by Our Common Agenda and with the 2030 Agenda as global framework. Recognise cities, as the closest level of government to communities, are critical allies to reduce inequalities and work to localize the 2030 SDGs through multilevel governance.

(ii) Guarantee equal access to sustainable, healthy, and nutritious food for all; echoing the Global Alliance against Hunger and Poverty, scaling up globally Alimenta Cidades program, leveraging the work of the UN’s Committee on World Food Security (CFS) and addressing the interconnection between hunger, poverty, climate impacts, and inequalities. Work with cities to guarantee access to quality, healthy, and low-carbon food with minimum standards for nutrition and restricting hyper-processed foods.

(iii) Work with cities as to deliver a just transition for all; address just transition in updated NDCs and including cities in national just transition forums and mechanisms, recognising mayors as crucial partners to deliver the global commitment to triple renewable energy and double energy efficiency by 2030 while reducing demand for fossil fuels, utilizing the deep experience of cities in developing just transition programmes, noted by the UNFCCC Just Transition Work Programme dialogue, echoing ILO’s Just Transition Guidelines.

(iv) Empower cities to close the global green skills gap, devolving powers and funding on education and workforce development, ensuring that high-quality green jobs are accessible to those who need them most, including people living in poverty, women, and workers in the informal economy, noting that more than 70% of jobs potentially affected by the energy transition are able to be reclaimed.

2. REFORM GLOBAL GOVERNANCE, UNLOCK FINANCE FOR URBAN SUSTAINABLE DEVELOPMENT

(i) Strengthen multilevel engagement and partnerships to deliver SDG and the Paris Agreement, including establish a separate, special, formal status for the organized constituency of local and regional governments within UN policy-making bodies in line with the UN Secretary-General’s Advisory Group on Local and Regional Governments recommendations and ahead of the UN Summit for the Future, and collaborate with subnational governments to revise updated NDCs, in line with Coalition for High Ambition Multi-level Partnerships (CHAMP) pledge.
(ii) Ensure global financial architecture reforms and core priorities of Multilateral Development Banks (MDBs) and Subnational Development Banks address the urban sustainable finance gap: working in and with cities through corporate, climate, and country strategies and dedicated urban climate and development programmes, scaling direct and intermediated urban climate and development finance flows, including concessional finance.

(iii) Promote an enabling national framework and policy environment to increase cities’ access to finance, including ensuring stable and predictable intergovernmental fiscal transfers and national equalization mechanisms or encouraging innovative ways for cities to raise own-source revenues. By improving the fiscal health, creditworthiness, and the capacity of local governments to generate subnational revenues, mobilize and attract public and private funds, G20 countries can tackle the urban investment gap.

(iv) Prioritize finance for an just and inclusive urban transition, addressing that only 10% of climate funding and financing prioritizes local-level activities to support marginalized communities by aiming to direct 40% of national climate finance to locally-led initiatives for low-income communities, the most vulnerable, and those affected by the transition with directly accessible or well-distributed just transition funds, noting that the IPCC has identified that for a successful transition globally, cities must have access to funds. Working with local actors on a pathway to redirect fossil fuel subsidies for a socially inclusive just transition will be critical.

(iv) Support the creation and operationalization of City Guarantee Funds or Facilities, at the global and regional levels such as a Green Cities Guarantee Fund (GCGF) or the EFSD+ Guarantee Facility for Sustainable Cities, which could enable cities to access direct or pooled lending by tackling both credit and currency risk, and as an alternative to sovereign guarantees. Ensure that the new Loss and Damage Fund is accessible to cities or can directly benefit cities as frontline with communities and facilitated by national associations of local governments.