

C40 CITIES
FINANCE
FACILITY



ANNUAL REPORT

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CITIES ARE AT THE CENTRE OF THE CLIMATE CRISIS

While cities are responsible for up to 70% of global greenhouse gas emissions, they are also where climate impacts are being experienced first-hand by billions of people around the world. Floods, droughts and heat waves are increasing in both frequency and intensity all across the world, causing loss of life and the displacement of communities. While the need and demand for resilient infrastructure is increasing, the climate finance gap is still widening.



For climate mitigation projects only, cities require an estimated USD 4.3 trillion annually from now until 2030, a fivefold increase on current flows.

Despite cities' ambitions and climate action plans, developing these into transformative infrastructure projects and linking them to finance remains a difficult and time-intensive undertaking, especially for innovative and inclusive approaches that address the climate crisis.

Since 2015, the C40 Cities Finance Facility (CFF) has worked with cities to address this challenge. **CFF works with cities to develop infrastructure projects that have a tangible impact on the lives of their residents.** By providing cities with the support and expertise they need and linking these projects to finance, CFF turns ideas into infrastructure that makes a real difference to people's lives. In its first 10 years of operation, CFF has partnered with 35 cities across Africa, Asia, and Latin America, supporting 43 transformative infrastructure projects.

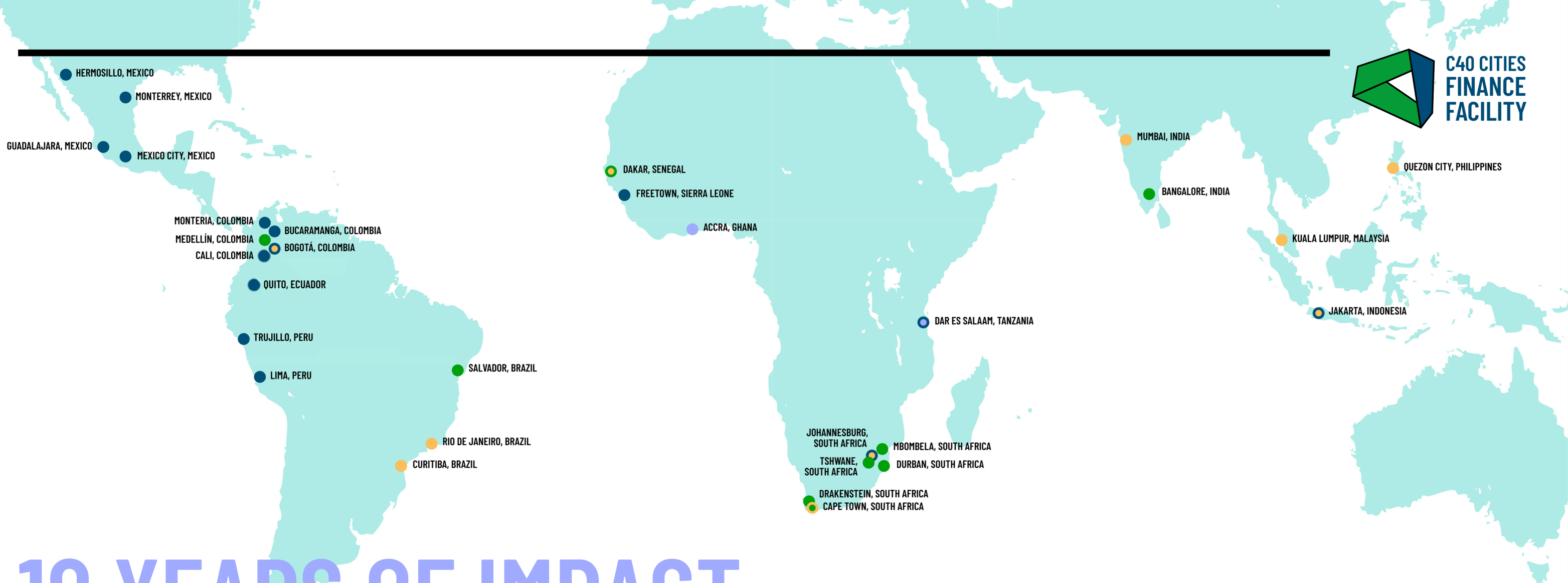


CFF puts the interests of the city and its residents at the centre of its work. It offers independent support based on international best practices around how to prepare and finance infrastructure projects. Sustainability and social inclusion are at the heart of its project preparation process. From the reduction of greenhouse gas emissions to the creation of local economic opportunities and improved access to basic infrastructures, CFF supports cities' projects that achieve impact across a range of social, economic and environmental dimensions. These local efforts directly contribute to the achievement of national and international climate targets.

This short report details activities carried out by CFF between January and December 2025, the first year of its latest programme phase ("Phase 4", following three previous phases between January 2016 – March 2018, April 2018 – February 2021 and March 2021–December 2024). CFF is supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the UK Foreign, Commonwealth & Development Office (FCDO). Jointly implemented by C40 Cities Climate Leadership Group (C40) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, CFF combines global climate leadership with sustainable development expertise.

¹ CFF is commissioned as part of the Climate-resilient Infrastructure Investments in Cities (CIVIC) programme, funded by BMZ.

² CFF is commissioned as part of the Urban Climate Action Programme (UCAP), funded by FCDO.



KEY: ● SOLAR ● CLIMATE ADAPTATION ● MOBILITY ● WASTE

10 YEARS OF IMPACT



KEY IMPACTS

43 transformative infrastructure projects in 35 cities

12M tons of CO₂e emissions over 25 years

1.5M people benefitting from increased climate resilience

1.9M million people from marginalised groups benefitting from access to infrastructure or services

\$1.25 USD billion in investment expected to be leveraged by 2035

FROM CLIMATE AMBITIONS TO REAL IMPACTS

Since 2015, CFF supports cities to develop infrastructure projects such as electric bus systems, cycle lanes, solar farms, building retrofits, composting facilities, river restorations, and nature-based solutions.



ETHEKWINI (DURBAN), SOUTH AFRICA

With CFF's support, eThekweni Municipality developed a Transformative River Management Programme (TRMP) integrating ecological restoration with social inclusion. This initiative includes the set-up of community co-operatives which restore streams and rivers, creating green jobs and promoting local enterprises while helping to reduce Durban's vulnerability to flooding.

As of 2025, 106 co-operatives, generally run by 8-10 members, are now maintaining up to 600km of rivers and streams in Durban. eThekweni Municipality also established the 'TRMP Hub', a central resource to connect and strengthen community-led projects in the sector, which has also attracted interest from businesses who want to replicate the approach on privately owned land. The TRMP Hub is overseeing the implementation of the pilot Riverside Pocket Park project on the uMhlatuzana River, which brings together the local community and different city departments through activities such as clearing invasive plants, removing litter and rubble, and establishing small community gardens.



QUEZON CITY, PHILIPPINES

With CFF's support, Quezon City prepared the installation of solar PV systems on public schools and hospitals to lower electricity bills and reduce greenhouse gas emissions.

Nineteen schools were provided with solar roofs by the end of 2025, with implementation ongoing at another six. Meanwhile, the city was procuring solar PV systems for 25 more schools. Moreover, this approach was replicated to other public facilities, including three city hall buildings in 2024, solar PV systems for three public hospitals in early 2025, further expanding Quezon City's renewable energy portfolio. Similar projects have also now been developed in nearby municipalities in metropolitan Manila, including Pasig City and Butuan City, inspired by the project in Quezon City and partly supported through past CFF-led activities.



CURITIBA, BRAZIL

With CFF's support, Curitiba designed and constructed its Solar Pyramid as part of the Curitiba Mais Energia (Curitiba More Energy) initiative. Since starting operations, the Curitiba Solar Pyramid has generated 15 GWh of clean electricity; by March 2025, the project had generated cumulative savings of R\$5.4 million (US \$1m). Curitiba is now advancing plans for a second phase of the Solar Pyramid at the same Caximba site.

In parallel, solar PV installations have been rolled out on public transport terminals under the same Curitiba Mais Energia programme supported by CFF. Solar energy now powers the Pinheirinho, Boqueirão and Santa Cândida terminals, with a further seven terminals targeted for further installations. Together, all these interventions are pushing Curitiba closer to its aim of meeting 100% of the municipality's demand for electricity with renewable energy.

CELEBRATING 10 YEARS OF CLIMATE COMMITMENTS AND IMPACTS IN CITIES

The impact of these projects underscores the CFF's important role in unlocking cities' potential to address the climate crisis. CFF's 10th anniversary in 2025 provided a moment to reflect on its achievements thus far and to define future ambitions.



INAUGURATION OF RIO DE JANEIRO'S SOLÁRIO CARIOCA IN THE LEAD-UP TO COP30

On 2 November 2025, in the lead up to the COP30 Local Leaders Forum and the C40 World Mayors' Summit, Mayor of Rio de Janeiro Eduardo Paes inaugurated the 5MW Solario Carioca power plant. The landmark solar farm, built on a deactivated landfill in Santa Cruz in the west of the city, showcases what cities' leadership and world-leading technical assistance can deliver together. The 9,240 solar panels generate sufficient electricity to power 42 municipal buildings every day, while creating 300 jobs and saving US\$370,000 in electricity costs annually.

This project represents the city's first solar photovoltaic plant, and was implemented through a public-private partnership. The inauguration - attended by high-level representatives from the UK, Germany, C40 and GIZ - marked a unique moment to celebrate Rio de Janeiro's and cities' leadership in delivering real, on-the-ground climate solutions. A second phase of Solário Carioca is in the works, aiming to reach a total capacity of 20 MW generated from solar by 2028.



HIGHLIGHTING MAYORAL LEADERSHIP AT LONDON CLIMATE ACTION WEEK 2025

As part of London Climate Action Week in June 2025, CFF co-organised a strategic roundtable with mayors from the UK, Africa, Europe, and the Americas. The roundtable showcased how CFF partner cities (e.g., Medellín and Rio de Janeiro) are accelerating climate action at scale, integrating climate at the heart of governance, scaling investment-ready solutions, and delivering inclusive benefits to urban residents. The roundtable was attended by 10 mayors and city

leaders and hosted by Baroness Jenny Chapman, Minister of State for International Development, and Minister Mary Creagh, Minister for Nature. This breakfast roundtable was followed, later that day, by a celebration of C40's 20th anniversary, held in FCDO's historic Durbar Court.

CFF'S NEW PARTNER CITIES AND THE ROAD AHEAD

In 2025, CFF announced its support to five new partner cities, all working on transformative projects that promote climate resilience and social inclusion. The selection of these new partner cities followed a rigorous and transparent assessment process.

FIVE NEW CITIES TO RECEIVE CFF'S SUPPORT FOR THEIR AMBITIOUS INFRASTRUCTURE PROJECTS

The first group of new partner cities for CFF's fourth phase was announced at the 2025 C40 World Mayors' Summit:

Resilient urban watersheds in Belo Horizonte, Brazil

Belo Horizonte is launching a major watershed climate adaptation project in one of its most vulnerable areas, namely the Capão and Piratininga catchments, to build resilience against extreme weather. The initiative will include upgrading of public spaces and implementation of nature-based solutions such as green corridors, rain gardens and water harvesting systems in public buildings to manage stormwater and heat. These decentralised measures aim to cut flooding impacts by 40%, mitigate urban heat risks, significantly improve water quality, biodiversity, public health and social cohesion.

Nature-based urban regeneration in São Paulo, Brazil

São Paulo is aiming to improve climate resilience for 40,000 residents in Jardim Orion 2, a neighbourhood located on the banks of the Billings Reservoir. This project, part of São Paulo's long-standing Watershed Protection Programme, is the city's first to incorporate nature-based solutions systematically,

targeting an area where vulnerable and informal settlements are located and where residents have been suffering from flooding for years. This significant shift away from traditional grey infrastructure will strengthen the city's climate resilience, boost public health and create new green jobs.

Clean ferries in Cartagena, Colombia

Cartagena is creating a reliable, low-emission passenger ferry network to connect its industrial, residential, commercial, and tourism centres with one another. Fully integrated with the existing Transcaribe public transport system, the new ferry network will dramatically cut commute times, improve travel safety, and significantly expand access to jobs, healthcare and education for underserved island and coastal residents. As the first project of its kind in Colombia, it offers a replicable model for other cities with a similar geography.

Solar-powered e-buses in Rabat, Morocco

Rabat - the first North African city to be supported by CFF - is rolling out 30 electric buses along core routes connecting Rabat and neighbouring cities. This electric mobility project will be bolstered by the installation of solar rooftop systems for bus charging, setting a precedent for integrated infrastructure delivery across Morocco and leading to a more efficient and sustainable transit system.

Improving organic waste treatment in Sekondi-Takoradi, Ghana

Sekondi-Takoradi is developing a comprehensive waste management programme aimed at reducing the city's reliance on landfills. This project targets an 80% diversion of waste from landfills, a 20% reduction in greenhouse gas emissions - primarily methane - from the waste sector by 2050, and the generation of renewable energy. The programme will create green jobs, improve the livelihoods of both formal and informal waste workers, and tackle the growing threat of plastic pollution and drain blockages that cause flooding.

The newly selected CFF partner cities demonstrate that fostering urban resilience can effectively complement the pursuit of economic development and the delivery of inclusive socio-economic benefits for local communities. These efforts are supported by CFF's ambitions to build more partnerships, strengthen national processes and further embed Inclusive Climate Action (ICA) in all projects.

Working in partnership

Supporting a project from scoping to preparation and all the way to implementation requires input from a range of actors at different stages. Strong partnerships among the various entities and programmes that operate in the urban development sector can help projects reach implementation more effectively. In light of this and with renewed emphasis in its current phase, CFF is prioritising strategic partnerships focusing on areas such as:

- Connecting finance-ready projects with investors
- Co-developing projects with other project preparation facilities and financiers
- Replicating CFF-developed capacity-development tools and resources
- Scaling the impact of CFF-supported projects to other cities

Embedding Inclusive Climate Action principles

CFF's Inclusive Climate Action (ICA) component supports partner cities to meaningfully engage communities from the very start of project preparation, ensuring that local needs and perspectives are heard and that project benefits are distributed in an equitable manner. CFF directly measures the share of people from marginalised groups who benefit from infrastructure projects and public services resulting from its support to city-led projects. CFF's focus is on prioritising local knowledge, early engagement, and close collaboration with communities, as well as building on CFF's experience by ensuring that inclusive, actionable recommendations are fully integrated into project design.

Strengthening national processes

As part of its ambition to contribute to policy, legal and financial policy processes at the national level, CFF is aiming to ensure stronger alignment between supported projects and national priorities and policy processes. By sharing lessons and experiences from current and past projects with national stakeholders, CFF's impact is extending beyond individual projects across countries to create and improve opportunities for investment. This work, which is being pioneered in Brazil, Colombia, Ghana and South Africa, will enable CFF partner cities to translate their achievements into nationwide upscaling, partnerships, and financing opportunities.

By breaking down barriers to finance and connecting cities to expertise, CFF continues to turn climate action plans into real projects that make a meaningful difference in people's lives.



FUNDING PARTNERS



IMPLEMENTING AGENCIES



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