

Indian Cities Require \$2.4 Trillion Investment for Climate-Resilient Infrastructure by 2050: World Bank Report



Indian cities face an urgent and massive funding requirement, needing over \$2.4 trillion in investments by 2050 to develop resilient and low-carbon infrastructure. This stark figure comes from a new World Bank report, "Towards Resilient and Prosperous Cities in India," released on Tuesday, July 22, 2025. The report, prepared in partnership with India's Ministry of Housing and Urban Affairs, highlights the escalating vulnerability of Indian urban centers to climate-related risks such as extreme heatwaves and urban flooding.

India's urban population, currently at 480 million (2020), is projected to nearly double to 951 million by 2050 and exceed 1.1 billion by 2070. This rapid urbanization presents a unique challenge and opportunity, as more than half of the urban infrastructure needed by 2050 is yet to be built. The report underscores that without timely and substantial investment, economic losses from climate events, already significant, will surge dramatically. For instance, annual losses from rain-related flooding, currently estimated at \$4 billion, are projected to rise to \$5 billion by 2030 and could escalate to between \$14 billion and \$30 billion by 2070 if no remedial action is taken.

Cities like Delhi, Chennai, Surat, and Lucknow are identified as particularly exposed to urban heat island effects and flood risks, largely due to rapid, often unregulated expansion into ecologically sensitive zones. The report warns that if current emission levels persist, annual heat-related deaths in India could increase from 144,000 to over 328,000 by 2050, with up to 20% of working hours in major cities potentially lost due to high heat stress.

Auguste Tano Kouame, World Bank Country Director for India, emphasized the dual nature of this challenge. "This is both a challenge and an opportunity," Kouame stated, as quoted by PTI. "Without timely action, climate risks such as flooding and extreme heat will become much more severe." The report suggests that investing \$150 billion over the next 15 years could enable 60% of existing Indian cities to implement effective flood mitigation measures. Furthermore, heat mitigation efforts alone could potentially increase India's Gross Domestic Product (GDP) by up to 0.4% and save as many as 130,000 lives annually by 2050.

To bridge this substantial infrastructure gap, the World Bank advocates for urgent fiscal recalibration, noting that India's current urban infrastructure spending, at just 0.7% of GDP, is "much lower than other countries." The report urges greater financial autonomy for urban local bodies, improved project planning capacities, and a concerted effort to tap into private capital through mechanisms such as green bonds, blended finance, and access to international climate funds. This comprehensive approach is deemed essential for Indian cities to become resilient, prosperous, and sustainable engines of growth in the face of escalating climate threats.