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TRAZANDO LA RUTA FINANCIERA HACIA  
UNA RECUPERACIÓN SOSTENIBLE

# The City Climate Finance Gap Fund

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## City Climate Finance Gap Fund





## The Gap Fund in a nutshell

### Why?

Cities are central to meeting ambitious climate targets such as the Paris Agreement but cities in low- and middle-income countries often struggle with developing climate-friendly and resilient infrastructure

### What?

Support cities with early-stage technical assistance in developing climate change mitigation and adaptation projects

### Who?

Donors, multilateral banks and implementing agencies, together with city networks

### How?

Cities and local authorities can check eligibility and apply via the Gap Fund web site ([www.citygapfund.org](http://www.citygapfund.org)) with an expression of interest.



## Progress achieved so far

140 +

Expressions on  
Interest received  
and screened

33

Cities support  
approved in 20  
countries

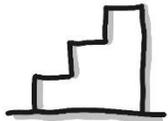




## What the Gap Fund offers



Supporting **city climate strategy development** and analytics to assess the climate potential of plans, strategies, and investment programs



Providing **capacity building** for low-carbon and climate-resilient urban development



Supporting the **prioritization of investments** as part of a climate strategy or investment program



Defining **project concepts** and preparing pre-feasibility studies



Supporting **the appropriate financial structuring** for different projects



**Matchmaking with additional support** sources for later stages of project preparation



Offering potential support to **fill in other project preparation gaps**



## Eligibility criteria

- **Countries:** Countries in the OECD DAC list
- **Climate action potential:** Mitigation and/or adaptation to climate change
- **Ownership:** The EOI needs to be intended for a city, local authority or municipal council.
- **Urban dimension:** The project must be situated in or functionally linked to an urban area
- **Stage:** Early stages of climate investment planning and project preparation:
  - Climate strategy development/enabling environment
  - Project definition/concept
  - Pre-feasibility

## Sectors

- Urban mobility
- Energy efficiency and small renewables
- Solid waste management
- Water and wastewater management
- Greening of urban areas, nature-based solutions
- Green buildings
- Adaptation to climate vulnerabilities
- Affordable housing with an energy-efficient approach
- Multi-sector, area-based investment programs
- Circular economy approaches



## Examples of technical assistance in Latin America

- **Tulum and San Cristobal, Mexico:** Accelerate low-carbon, climate resilient development through the design and execution of multi-sector, area-based investment programs
- **Naucalpan, Mexico:** Assessing the institutional capacity to develop a light rail train line linking the Naucalpan municipality with downtown Mexico City and supporting the design of stakeholder consultations
- **Bogota, Colombia:** GHG and air quality analytics and recommendations to incorporate low-carbon and climate-resilient considerations in the Low-Carbon Vital Neighbourhoods in Bogota
- **Campinas, Sao Paulo State, Brazil:** Climate change adaptation and reduce flood risks through nature-based solutions along the Capivari river



## Examples of technical assistance in Latin America

- **Cuenca, Ecuador:** Supporting the analysis of the current hydrometeorological network, the evaluation of climate change scenarios, and alternatives to counter/prevent flooding
- **Escuintla, San José and Iztapa, Guatemala:** Assessing the quality of existing waste generation and characterisation data and comparing organic waste treatment alternatives
- **Santa Marta, Colombia:** Enhancing the city's urban forest and forest management and identifying funding opportunities at regional, national or international level
- **Rio de Janeiro, Brazil:** Improving hydrological modelling for urban flood risk assessment and economic modelling to for restoring wetlands as a natural barrier in flood-prone areas



## Preliminary lessons learned

- Early-stage TA is needed to develop a reliable pipeline of urban climate action projects in low and middle-income countries
- Local political ownership, alignment with national climate action strategies and support at the national level is essential to ensure the project can move forward if well-prepared
- Collaboration with a wide range of actors (e.g. IFIs, national/ bilateral cooperation agencies, city networks, etc.) operating in the region is crucial to identify potential projects and ensure good quality applications to existing PPFs
- The creation of an ecosystem of entities operating in the climate-urban space is key to ensure a smooth and efficient flow of information and shared project pipelines