



C40 CITIES  
FINANCE  
FACILITY

# THE C40 CITIES FINANCE FACILITY

2021



# Cities today

Given rapid demographic and economic growth in many cities around the world, investment in high quality urban infrastructure is desperately needed.

Owing to shortfalls in municipal budgets, cities are increasingly looking at a wider range of financing options to bridge their infrastructure needs, particularly in partnership with the private sector. At the same time cities need to significantly reduce their carbon footprints and enhance their climate resilience.



Cities are responsible for more than 70% of global energy-related carbon emissions.



In 2050, 70% of the world's population will live in cities.



An estimated \$4 trillion per year in infrastructure investment is needed in developing countries to leapfrog the fossil fuel-driven economic development of the past.



Almost 400 cities are actively seeking finance for 1,143 projects worth close to US\$60 billion.



Only 0.8% of the capital managed by pension funds, sovereign wealth funds, insurance companies and other institutional investors is currently allocated to infrastructure.



# What is the C40 Cities Finance Facility?

Our goal is simple: We facilitate access to finance for climate change mitigation and resilience projects in cities.

The C40 Cities Finance Facility (CFF) supports cities in developing and emerging economies to develop finance-ready projects that address climate change. A collaboration of C40 Cities Climate Leadership Group and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The CFF is funded by the German Federal Ministry for Economic Cooperation and Development, the Children's Investment Fund Foundation, the Government of the United Kingdom and the United States Agency for International Development.

## Case Study: The CFF in Bogota

The C40 Cities Finance Facility has supported Bogotá in developing the city's first large-scale cycle avenue. Quinto Centenario Cycle Avenue - now renamed to Ciclorruta del Medio Milenio - will make bicycles the common means of commuting across Bogotá. Traversing the city from south to north, this 25 km-long cycling corridor shall connect citizens from low, middle and high-income neighbourhoods with jobs, schools and recreational opportunities.





# Why is the CFF unique?

The CFF works in the best interests of cities rather than on behalf of a specific capital provider, supporting projects prioritised by cities.

A key component of the CFF's support is the provision of an embedded sectoral expert to facilitate effective co-operation with a city administration.

The CFF ensures that cities retain full ownership throughout the project preparation process and take all decisions about a project's progression.

## Case Study: The CFF in Mexico City

The C40 Cities Finance Facility has supported Mexico City to prepare and finance a new low emission corridor - Eje 8 Sur. Traversing the city from centre to outskirts, this 15,7 km-long bus corridor aims to provide residents from low- and middle-income neighbourhoods with a reliable, zero-emission alternative to private transport.






# Case Study: The CFF in Durban

To address the issues of deteriorating water quality, climate change and increased flooding, Durban supported by the CFF has developed a city-wide business case for a Transformative River Management Programme (TRMP). The TRMP aims to adapt the 7 400 km of streams and rivers in the city to the flooding, drought and higher temperatures that can be expected from climate change.

## How does the CFF work?

**The CFF facilitates access to finance for climate change mitigation and resilience projects in urban areas by providing technical assistance to develop cities' sustainability priorities into bankable investment proposals.**

The CFF aims to deliver project preparation and capacity development, and to widely share knowledge and establish partnerships between cities and financiers.

-  A dedicated CFF in-city expert, alongside national and international experts, joins the city's project team to help develop technically and financially sound investment projects structured in the city's best interests.
-  A tailored plan of trainings and workshops to develop institutional capabilities within city administrations to access finance, to structure infrastructure projects in a sustainable manner and to undertake similar projects more independently in the future.
-  A knowledge and learning programme that catalyses change by disseminating knowledge to other cities, practitioners and policy makers to remove barriers to climate action in cities.



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