# Virtual Dialogue Event Unturning the stones - Exploring Climate Finance for Asian Cities

When: 28 – 30<sup>th</sup> September Where: connective cities community

An invitation from <u>TurbOclic</u> (Transformation – Urban Opportunities – Climate Change), an initiative from GIZ's sector networks TUEWAS (Transport Environment Energy and Water in Asia) and SNGA (Governance Asia) and Connective Cities.

In cooperation with C40 Cities Finance Facility (CFF), Financing Energy for Low-Carbon Investment - Cities Advisory Facility (FELICITY), Sector Project Cities, Leading Urban Climate Action (LUCA), City Climate Finance Gap Fund (Gap Fund), Cities Development Initiative for Asia (CDIA), Cities Climate Finance Leadership Alliance (CCFLA) and several bilateral GIZ programmes / projects in Asia, including for example the projects Climate Smart Cities (CSC) in India, Climate Resilient Inclusive Smart Cities (CRISC) in Bangladesh, Sustainable Urban Development – Smart Cities (SUD-SC) in India, Capacity Development Support to Governance (CD-SG) in Nepal, among others.

The Virtual Dialogue Event in a Nutshell	
Date	Tuesday to Thursday - 28 – 30 <sup>th</sup> September – 8:30 – 12:30 CEST / 12:00 – 16:00 IST
Duration	3 online sessions of 4 hours each - including breaks and networking activities
Language	English (participants should be able to understand and communicate well in English)
Objective	The main objective of the event is to offer a platform for exchange and mutual learning, to further develop existing municipal project ideas and learn about practical solutions for current financing challenges at local level. With peer-to-peer advice and design thinking as core methodologies, the virtual event aims to offer technical support for improving project ideas, as well as a structured discussions on challenges around the topic of climate finance for cities. Finally, the event and related knowledge products aim at offering insights on different financing options / funds to implement projects via several project development facilities as well as good-practices from the region
Target group	<ul> <li>Experienced local stakeholders from 8 to 12 cities in partner countries where organizers / collaborators are active (Bangladesh, India, Indonesia, Philippines, Nepal)</li> <li>As well as experts and staff from GIZ and collaborators in the region.</li> </ul>
Thematic	Challenges and opportunities regarding financing resources at municipal level
focus	Financing approaches to build climate resilient and low-carbon cities
	National / international climate financing options
Criteria for	Partner city of event organizers / collaborators in Asia
participation	Practical city-level perspective and first-hand experience with urban planning, municipal finance and project development
	<ul> <li>Presentation of a local project idea</li> <li>Ability to be present online during the whole event and willingness to engage in a practice-oriented and innovative exchange format and to join the connective cities community</li> </ul>
City delegations	Delegations of one or two experts (financing, public works / infrastructure, planning departments) per city, working respectively on the topic, with a possibility of being accompanied by a partner from the civil society, private sector or academia

## **Background**

Cities are at the forefront of climate change mitigation and adaptation measures, as well as actions that contribute to the achievement of all global agendas. In many cities, with a rapidly growing population, key basic infrastructure such as transportation, clean water and sanitation, energy systems, housing and social services still need to be established or developed. In addition to the need for proper funding cities also need to design then implement green and sustainable solutions that leapfrog current unsustainable patterns. It is essential to develop innovative and efficient financing approaches to build climate resilient and low-carbon cities.

Cities are faced with a **numerous of challenges regarding financial resources**: from understanding own / internal revenue resources and how to best climate-proof them, to understanding and accessing national / international climate financing, private sector investments and new insurance mechanisms.

Local governments often lack direct access to finance and control over spending, together with a lack of technical and managerial capacities for sustainable municipal financing/climate-proofed investments. Cities often do not have credit ratings and therefore are unable to borrow money directly on the market. Access to municipal finance, against the background of **decreasing municipal revenues due to the current crisis**, will be of paramount importance for the achievement of global sustainability goals (2030 Agenda, Climate Paris Agreement), which strongly depend on cities.

There is a myriad of knowledge and information regarding municipal / climate finances already available, from many long-standing institutions (cities' networks, donors, alliances) working on the topic, such as the Cities Climate Finance Leadership Alliance (CCFLA), the Global Fund for Cities Development (FMDV), the Local Governments for Sustainability (ICLEI), the UN Capital Development Fund (UNCDF), Global Observatory of Local Finance from UCLG, the C40 network, UN Habitat, to name a few.

Several front-runner cities are making good use of different **instruments and financing options** (from own revenue and asset leverage to capital markets to multilateral fonds/credit) and a series of successful case studies is available. GIZ is also strongly supporting cities via different project preparation facilities. However, it is still difficult to reach many aspiring cities in regard to their own specific financing challenges. Only providing knowledge products is not sufficient, it is important to back-stop the **design and preparation of projects** and provide a holistic advisory support for relevant municipal stakeholders.

## Possible guiding questions

- Unpacking municipal climate financing understand how to unpack the share of total financing being spent on low carbon and resilient urban projects and estimating the total gap of external financing needs (to reach national goals?)
- Which experiences do cities have in gaining access to external finance for e.g. urban infrastructure projects either public, international (i.e. GCF, MDBs), private (i.e. institutional investors) or blended?
- National/international climate financing for cities: what are the success factors and barriers for cities? What are enabling conditions at national and local level?

## The virtual dialogue event

This event will make use of new digital / agile collaboration and exchange formats (based e.g. on the well-established connective cities dialogue event methodology). The idea is to bring different representatives from several cities in the region (selected municipal / finance experts from India, Bangladesh, Nepal, Philippines and Indonesia) together with GIZ, Connective Cities and other collaborators and project colleagues to discuss and exchange about municipal / climate financing topics, with innovative formats such as **peer-to-peer advice** and **ideation for project development**.

The main objective of the dialogue event is to facilitate the **exchange of experiences and mutual learning** based on concrete project ideas and good practice examples of municipal actors with different local conditions. The focus is mainly on pragmatic solutions and approaches that can be applied or adapted to different regional contexts. The dialogue event will also provide a space for in-depth discussion of current challenges around the topic of climate financing and will support the joint development of innovative projects / solutions for sustainable urban development.

The virtual dialogue event will be a highly interactive workshop with municipal actors, including, if possible, representatives of civil society, academia and business. Municipal practitioners involved in urban planning or municipal financing will be able to discuss in detail the projects and ideas implemented or planned in their municipality.

## Additional focus will be also to:

- Identify good practice examples from the region that can be shared with other cities as well as knowledge products already available to be shared and conveyed to cities
- Provide peer-to-peer advisory services for selected cities in a conducive and creative workshop environment and with that, support ideation and preparing / planning of specific projects / or an action plan for implementation
- Initiate a practice-oriented learning that includes different exchange and learning formats and seeks to strengthen capacities of urban practitioners (including the introduction and collaboration within the <u>connective</u> <u>city community</u>)

## Call for expression of interest

If you wish to actively contribute to the virtual dialogue event with a concrete project that you are planning or implementing in your municipality / organisation, we warmly invite you to express your interest in participating at the event.

To do so, please send us an e-mail\* with your name, function and city/organisation\*\*, your motivation to join as well a brief description of the concrete project you would like to bring to the event. A project can be anything you are or need to implement / finance in your city in order to tackle a pressing challenge, from small to big, from short to long term. Please describe your project in up to two pages, you can include a short description of the challenge, the concrete objectives and impacts of the project, stakeholders and beneficiaries, and if existing, information about timeline and investments needed. You can also include additional links and pictures as needed.

We welcome participation of one or two experts (financing, public works / infrastructure, planning departments) working respectively on the topic, with a possibility of being accompanied by a partner from the civil society, private sector or academia.

Participation in the event will be free of charge. The decision on the selection of participants will be based on the information provided above. Therefore, by sending the expression of interest, applicants are not automatically accepted to participate in the event.

The deadline to send the expression of interest is September 09<sup>th</sup> 2021. Successfully selected participants will receive confirmation and instructions by September 15<sup>th</sup> 2021.

The event will consist of synchronous (live) online-sessions and asynchronous networking and knowledge sharing on the *connective cities community*. Please be aware that you do not need an app or other installations to participate in the virtual event, nevertheless, it is necessary to have a reliable internet connection, a desktop/pc with the latest browser version preferably of Chrome or FireFox and a head-set.

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\*\*GIZ processes personal data exclusively in accordance with the EU General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG). GIZ only processes personal data to the extent necessary. By submitting your expression of interest, you agree with the processing of your personal data.

## Organizers and collaborators at a glance





## **TUrbOCliC** (Transformation. Urban Opportunities. Climate Change)

A cross-sectoral working group comprising of members from TUEWAS (Transport, Environment, Energy and Water in Asia) and SNGA (Governance in Asia). Our work mainly focuses on the topics of urban climate change and urban governance, namely - low carbon development, energy efficiency in buildings, urban resilience, inclusive cities, localizing SDGs, vertical governance integration, urban nexus, metropolitan governance, climate finance decentralized, capacity development, among others.

## **Connective Cities**

The international community of practice Connective Cities has been bringing together urban actors from city administrations, civil society, academia and the private sector since 2013. Connective Cities is a cooperation project between the Association of German Cities (Deutscher Städtetag), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Engagement Global with its Service Agency Communities in One World.

## **Sector Project Cities**

The project provides advice to the German Federal Ministry for Economic Cooperation and Development (BMZ) on mainstreaming sustainable urbanisation and integrated urban development in German development cooperation. It supports reforms within BMZ's sustainable urban development field of action and develops core topics such as integrated urban development, sustainable building, municipal funding and climate change in cities.



## **Leading Urban Climate Action (LUCA)**

On behalf of

The project contributes to further strengthening the relevance of cities for climate action (mitigation, adaptation and resilience) in international processes. The aim is to improve the conditions for climate-friendly investments as well as the implementation and increased ambition of Nationally Determined Contributions (NDCs) at the local level by developing and disseminating innovative approaches and expanding strong partnerships. LUCA is commissioned by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).



## **Climate Smart Cities (CSC)**

The Climate Smart Cities project aims at anchoring climate-friendly solutions for urban infrastructure projects and area-based development in the planning and implementation of projects under the Smart Cities-Programme of the Government of India. The project advises cities for planning and implementation of concrete measures, relevant to climate mitigation and enhances the competences of staff regarding climate-relevant aspects of urban development. At the national level it strengthens climate-relevant national urban policies that provide cities with technical and financial incentives and the necessary framework through respective funding programmes. The project is funded by the Federal Ministry of Environment Nature Conservation and Nuclear Safety (BMU) under the International Climate Initiative (IKI) and contributes to the attainment of NDC and SDGs.

## <u>Sustainable Urban Development – Smart Cities (SUD-SC)</u>

Commissioned by BMZ, the objective of the project is to support responsible national, state and municipal institutions in applying concepts for sustainable urban development for the provision of urban basic services and housing in selected smart cities. SUD-SC project target strengthening of integrated and intersectoral planning approaches thereby increasing synergies and funding efficiency. It would work towards providing a framework for improved coordination of sector planning and national urban missions and programmes. Lead executing agency is the Ministry of Housing and Urban Affairs (MoHUA), Government of India.

### **Climate Resilient Inclusive Smart Cities (CRISC)**

Commissioned by BMZ, the objective of the project is to the support selected cities in considering local adaptation needs for the consequences of climate change into planning for urban development, including corresponding investment projects. The programme

provides advisory support to political partners to review existing urban development and investment planning policies to integrate the climate change risks and impacts for nationwide roll-out.

Lead executing Agency is the Ministry of Local Government, Rural Development and Cooperatives (MoLGRD&C) in Bangladesh.

## **Capacity Development Support to Governance (CD-SG)**

The objective of the project is to strengthen inclusive service provisions in selected municipalities in provinces of Nepal. More specifically: to improve the participation of disadvantaged groups in municipal decision-making processes, to strengthen the capacities of selected municipalities for inclusive service provision, and to improve the conditions for the dissemination of inclusive service delivery approaches. Commissioned by BMZ, the lead executing agency is the Ministry of Federal Affairs and General Administration (MoFAGA).

## Among other bilateral projects



## **C40 Cities Finance Facility (CFF)**

Goal of CFF is to bridge the gap between cities and finance and to facilitate access to finance for climate change mitigation and resilience projects in urban areas. By providing technical assistance to partner cities, sustainability priorities are developed into bankable investment proposals. The CFF aims to deliver project preparation and capacity development, to widely share knowledge and establish partnerships between cities and financiers.



## Financing Energy for Low-Carbon Investment - Cities Advisory Facility (FELICITY)

Cities face significant barriers to prepare bankable projects, secure finance and implement such projects. To address these challenges the Financing Energy for Low-carbon Investment - Cities Advisory Facility (FELICITY) provides advisory services and capacity building tailored to the needs of municipalities and financial intermediaries in Brazil, Mexico, Ecuador, and Indonesia.



The City Climate Finance Gap Fund (Gap Fund) helps cities in developing and emerging countries realize their climate ambitions, turning low-carbon, climate-resilient ideas into strategies and finance-ready projects. The Gap Fund supports cities and local governments in preparing and prioritizing climate-smart plans and investments with the goal of attracting more financing and support for implementation.



## **Cities Development Initiative for Asia (CDIA)**

Cities Development Initiative for Asia (CDIA) is a multi-donor trust fund managed by the Asian Development Bank (ADB). It receives funding support from Austria, France, Germany, Switzerland and the European Union. CDIA works closely with secondary cities in Asia and the Pacific to prepare bankable and sustainable infrastructure investments, helping to bridge the gap in infrastructure development and financing.



## Cities Climate Finance Leadership Alliance (CCFLA)



The Cities Climate Finance Leadership Alliance (the Alliance) is a multi-level and multi-stakeholder coalition aimed at closing the investment gap for urban subnational climate projects and infrastructure. The Alliance provides a platform to convene and exchange knowledge among all relevant actors dedicated to urban development, climate action, and/or financing. Alliance members include public and private finance institutions, governments, international organizations, NGOs, research groups, and networks that represent most of the world's largest cities. As such, its members also represent the main market players in city-level climate finance.