

Climate finance solutions for urban infrastructure projects



EBP supports Germany's development cooperation with expertise and ideas to finance low-emission infrastructure projects in cities. Our experts help to accelerate, scale-up and promote the financing of such projects.

Cities at the epicentre of the climate challenge

With 75 percent of global greenhouse gas emissions originating in urban areas, cities have a central role to play in climate protection. The unprecedented growth of urban areas, especially in emerging economies and developing countries, has revealed a significant need for investment in low-carbon and climate resilient infrastructure. Yet, cities face significant barriers to creating feasible projects, securing finance and implementing their plans.

The FELICITY Project

The German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) commissioned the Gesellschaft für Internationale Zusammenarbeit (GIZ) in 2017 to implement the "Financing Energy for Low-carbon Investment - Cities Advisory Facility" (FELICITY). The project is designed to address barriers to climate-friendly infrastructure development in urban areas by closing the gap between urban development planning and infrastructure project financing.

In 2020, GIZ commissioned EBP and its project partner, the Frankfurt School of Finance and Management, to provide advisory services on current and relevant subnational climate finance and urban infrastructure development topics. Two such

Client

GIZ

Facts

Period	2020 - 2021
Project Country	Switzerland

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topics include the Leadership for Urban Climate Investment (LUCI) and the Cities Climate Finance Gap Fund (Gap Fund), both of which were launched at the United Nations Climate Action Summit in September 2019.

Our contribution

Our team of experts is advising GIZ on the operationalization of the Gap Fund, which will provide financing for the project preparation phase of climate-related infrastructure projects. Other advisory topics include:

- Analyzing the role of capacity development for urban infrastructure stakeholders, including project developers, investors and promoters;
- Providing inputs on the further development of a platform to accelerate financing for low-carbon, resilient infrastructure projects in cities;
- Contributing to strategic thinking surrounding the green recovery in the context of the COVID pandemic.