**Call for inputs by the Standing Committee on Finance in the organisation of its next Forum**

**Submission by C40 Cities Climate Leadership Group and the C40 Cities Finance Facility (CFF)**

**19 October 2018**

The vital role of cities in addressing the challenge of climate change is well-documented by the New Climate Economy, UNFCCC, multiple cities organisations and by C40's own research.

C40's Deadline 2020[1] and Focused Acceleration[2] reports, published with Arup and McKinsey respectively, highlight the key role of cities in delivering the goals of the Paris Agreement. Analysis of the responsibilities of city mayors[3] demonstrates that the power to impact many major drivers of emissions reductions rest at the city level. This includes transport, planning, economic development, waste management, water, climate resilience, energy efficiency and increasingly renewable energy generation.

However, despite holding these major responsibilities and strong mayoral commitments to reduce emissions and increase climate resilience, access to the finance necessary to deliver vital green infrastructure remains a major challenge for city administrations.

In consultation with the mayors and senior finance officials of C40's member cities, C40 published a Call for Action on Municipal Infrastructure Finance[4] for Habitat III in late 2016. This document, which forms the basis of the C40 submission to this call for inputs of the Standing Committee on Finance, highlights the major financing challenges cities face. Regrettably, despite increased awareness of the issues, these financing challenges remain almost as prevalent today as they did when the Call for Action was first published.

The C40 Call for Action has been recently supplemented by a CFF and CDP publication[5] produced in partnership with the Global Covenant of Mayors for Climate and Energy which analyses the >1,000 responses received to calls for projects from the CFF and CDP Matchmaker programme. Collectively these projects are valued in excess of $60 billion. This represents a clear proxy on the scale of infrastructure cities are keen to develop, if they can secure the financing, and sends a strong signal to capital providers that cities can be a major source of future deal flow.

---

[1] https://www.c40.org/other/deadline_2020
[2] https://www.c40.org/researches/mckinsey-center-for-business-and-environment
[3] https://www.c40.org/blog_posts/new-research-from-c40-and-arup-shows-how-city-governments-are-changing-the-world
[4] https://www.c40.org/blog_posts/mayors-of-the-world-s-major-cities-call-for-national-governments-and-international-financial-institutions-to-help-finance-low-carbon-and-sustainable-projects
[5] https://www.c40cff.org/knowledge-library/analysis-the-demand-for-financing-climate-projects-in-cities

One such issue is the major challenge of a lack of capacity in city administrations, particularly in developing and emerging economies, to prepare projects to the stage of bankability. To help address this, C40, GIZ and the governments of Germany, UK and United States have created the C40 Cities Finance Facility (CFF) which provides technical assistance on project preparation, builds capacity in city administrations and captures and disseminates knowledge to encourage replication. We feel the CFF provides an example of the support cities need to secure financing and we would be happy to share lessons from the CFF with the SCF.

As part of project support, the CFF seeks to have a positive impact on gender equality in its partner cities. A gender analysis of each project is conducted by the CFF providing inputs on possible project amendments. For example, Bogotá's cyclists are predominantly male, caused partly by public safety concerns. As a result, we are working with the city to determine how its cycling infrastructure project can additionally improve public safety and considering how these measures can be financed as part of the project structuring.

**SCF Forum**

With this submission, we commend the proposal for an SCF Forum on Sustainable Cities and offer to actively support the SCF in this endeavour.

We hope that such a Forum would focus on tangible steps and commitments that key stakeholders could achieve, including:

- Support for project preparation of green urban infrastructure projects, helping cities to implement their climate action commitments through technical assistance and capacity development to create bankable project proposals
- Action from the MDBs and DFIs to actively work with sub-national authorities in the development of country strategies and identification of investment needs
- A roadmap for direct city access to significant levels of development finance and green funds to pursue sustainable infrastructure
- Legislative and regulatory changes from national governments to deliver greater fiscal autonomy and create enabling financial operating environments for city administrations
- Actions to increase private finance in city climate projects and support the private sector to overcome the risks and perceived risks in urban climate investments
- Create a process for the development of new financing mechanisms and approaches to reduce sub-national costs of capital
- Ensure the inclusion of city-level projects in NDCs and develop a process to support the transformation of NDCs and city climate action plans into climate investment plans
- Consideration of the financing of additional elements of sustainable urban infrastructure in the context of improved gender equality

The Forum could choose to take a sectoral approach. In this case, consideration of the financing challenges of urban transportation, local scale renewable energy generation, waste management infrastructure and infrastructure for climate change resilience (eg city flood defence systems) should be considered.

Alternatively, the Forum may wish to focus on challenge areas. In this case, city access to development finance, project preparation and capacity development, reducing costs of capital, regulatory environment and financing restrictions, and mobilising sub-national private finance could be key topics.

The SCF might also wish to consider working with the Cities Climate Finance Leadership Alliance (CCFLA), which seeks to bring together the core organisations playing a role in sustainable urban infrastructure financing. C40 and the CFF have been active in the CCFLA, particularly sharing lessons with other project preparation practitioners through the CCFLA's Project Preparation Forum.

We thank the SCF for requesting this input and look forward to engaging with the SCF further on this important topic.

**Contact**

For more information on this submission, please contact James Alexander, Director of the C40 City Finance Programme and Head (C40) of the C40 Cities Finance Facility, on jalexander@c40.org.

C40 CITIES
CLIMATE LEADERSHIP GROUP

# CALL FOR ACTION

## ON MUNICIPAL INFRASTRUCTURE FINANCE

### A FINANCE SYSTEM FOR SUSTAINABLE CITIES

Development banks must be reformed to respond to city needs.

Cities must be granted direct access to international climate funds.

The power to control finance must be devolved to cities.

National governments must create a stable policy and regulatory environment.

Innovation, standardisation, pooling and pipelines must become the new normal.

Cities must be supported to develop their capacity to prepare and execute projects.

C40 CITIES
CLIMATE LEADERSHIP GROUP

# C40 CITIES CALL FOR ACTION ON MUNICIPAL INFRASTRUCTURE FINANCE

The **Paris Agreement on climate change** creates the prospect that runaway climate change can be prevented, by setting a goal that global temperature rise should be limited to 1.5 degrees Celsius above the pre-industrial average.

The mayors of the world's great cities stand ready to play their part in delivering on the ambitions of the Paris Agreement, the 2030 Agenda for Sustainable Development (Sustainable Development Goals) and the New Urban Agenda. As members of the C40 Cities Climate Leadership Group (C40) and through their commitments to the Global Covenant of Mayors for Energy and Climate, mayors understand the actions that are needed and have ambitious plans for developing their cities in ways that are consistent with a low carbon future.

Yet too often cities are unable to access the finance needed to deliver on those ambitions.

C40 cities call on national governments and international financial institutions to help finance the transition to a low-carbon, resilient and economically sustainable future for millions of urban citizens.

This Call for Action builds on the work of our partners in the Cities Climate Finance Leadership Alliance (CCFLA), and the Global Commission on the Economy and Climate (New Climate Economy). The recommendations have been created through substantial engagement and consultation with C40's member cities and mayors, and have been approved by the C40 Steering Committee, made up of mayors elected by their peers to represent their region within C40.

## Endorsements of this Call for Action

The organisations listed below have indicated their support for the messages of this Call for Action.

## INTRODUCTION

City mayors, including the 86 city leaders of the C40 network, are leading the way in tackling climate change, reducing greenhouse (GHG) emissions and building resilient cities. Cities played a crucial role at COP21, and are ready to take action to meet the ambitions of the Paris Agreement. This document outlines what is required to help mayors deliver their ambitious climate action plans to the fullest possible potential.

Recent C40 research identified the barriers that prevent member cities from achieving their full climate ambitions. One of the most pressing of these barriers is the challenge of accessing finance for sustainable infrastructure projects. It is becoming increasingly clear that a lack of access to finance is a key obstacle to delivering resilient, liveable and climate-safe cities.

C40 research has also shown that the actions taken by mayors over the next 5 years have the potential to determine whether the world is locked into a high carbon or low carbon growth pathway. These actions range from large-scale transformative infrastructure projects to small-scale investments. Each one will require financing of some kind.

Furthermore, the New Climate Economy reports have demonstrated that as well as being low-carbon and climate resilient, cities that are compact, connected and coordinated are more productive, socially inclusive, cleaner, quieter and safer.

Mayors, city leaders and C40 believe that if each of the asks in this Call for Action were addressed on the international, national and project levels, it will unlock billions of dollars of new investment, and help create the low emissions world we all wish to see. While this Call for Action is focused on sustainable infrastructure finance for cities, many of the points raised have broader benefits that support the wider goals of the New Urban Agenda, the sustainable development agenda, particularly SDG#11 - "*Make cities inclusive, safe, resilient and sustainable*" - and promote green growth in cities.

The recommendations start with the support needed to create the enabling environment that will allow cities to implement the plans they wish to take forward. Recommendations are made for the international level, including the support provided to cities by the development banks, and the need for direct city access to the growing pool of international climate funds.

National governments also have a major role to play in fostering an enabling environment in which mayors can act. This includes increasing the powers of cities to control their finances, supporting cities to build their creditworthiness, and working together in the development of climate action plans aligned with the ambitions of the Paris Agreement.

Transformative projects are within reach if capital and transaction costs can be reduced and innovative financing instruments utilised. Technical assistance to help cities build their capacity for project structuring, preparation and execution is essential.

Some overarching themes are present throughout this Call for Action: there is a pressing need for collaboration amongst all levels of government and among stakeholders; innovations are required in financing as well as technology; and the focus of policy must be on climate change adaptation as well as mitigation.

Finally, all stakeholders have a responsibility to recognise and convey the urgency of action to prevent catastrophic climate change. Every level of government and financial institutions need to understand and address the barriers that stand in the way of delivering low-carbon growth. The challenge and the opportunity begins in our cities.

## CREATING THE ENABLING ENVIRONMENT
## THE INTERNATIONAL LEVEL

Action on the international level is crucial to ensure cities are able to deliver their climate action goals. The current international financial system was developed during the mid 20th century when nation states controlled most government resources. These structures have not yet adjusted to the significant devolution of powers and responsibilities to cities by almost all governments around the world. As a result, the international finance organisations, banks and funds are unwilling or structurally unable to provide cities with the support required to tackle the challenges of climate change. Addressing this is a responsibility both of these organisations' executive teams and the national governments that steer their operations.

Recognising the time required to make significant changes to global structures, C40 cities call on the international community to start the process of addressing these challenges now, to ensure our international financing system meets the needs of cities as quickly as possible.

### *Development banks must be reformed to respond to city needs.*

Multilateral and bilateral development banks play a significant role in sustainable development and tackling climate change. Yet many have been slow to recognise the powerful role of cities in this agenda, and equally, the risks of not addressing climate change in cities. Development banks should prioritise urban low-carbon and adaptation projects that are identified in city climate action plans and aligned with city development plans, and ensure all supported projects are resilient to future climate threats. Although private sector financing now dominates infrastructure, there is still an important role for development bank funding, especially for climate adaptation.

Development banks must also develop new mechanisms to significantly increase their subnational lending and build a greater understanding of city governance structures. This includes supporting cities in becoming creditworthy; earmarking large proportions of development bank lending to subnational entities and regional/municipal banks for green infrastructure; tailoring lending products specifically to meet the needs and capacity limitations of cities; increasing local currency borrowing; developing more flexible loan products; and formally involving the largest cities in the development of country assistance strategies. When supporting institutional and sector reforms, development banks need to pay greater attention to the widespread devolution of powers to cities and the need for capacity development within cities.

If the existing development banks cannot meet this challenge, then they should support the international community to work with city leaders to create new national, regional or municipal development banks (building on positive models such as Findeter). These new institutions should be able to lend directly to urban infrastructure and support cities to implement climate action and sustainable development plans.

### *Cities must be granted direct access to international climate funds.*

International climate funds are a vital source of capital, but difficult for cities to access. Existing funds such as the Green Climate Fund, the Adaptation Fund and the Global Environment Facility should identify mechanisms to enable large-scale, direct, and simplified entry routes for cities and agree at board level to earmark a proportion of their funding for city projects. This would optimise the impact of these funds, and ensure they deliver on the expectations of the donors that provided capital.

Furthermore, large cities face considerable climate threats, including rising sea levels, storms, heat waves and landslides. Many of those most at risk are the informal populations, and the poorest citizens. Addressing these challenges will require well-planned solutions, many with high capital costs. City-specific mitigation and adaptation funds should be created and other new international climate funds must be structured to allow cities direct and accelerated access, with simplified entry routes through city-designated authorities who can endorse applications directly.

## CREATING THE ENABLING ENVIRONMENT THE NATIONAL LEVEL

Climate change is the greatest long-term threat to humanity; to succeed, all levels of government – national, regional (states and provinces) and local – must work in partnership to find and implement the most effective solutions. Political challenges must be overcome and constructive partnerships must be developed. There needs to be greater sharing of data and expertise and development of joint climate strategies that take into consideration the broader economic and social costs of climate change and move from short-term cost-benefit analyses to long-term life cycle assessments of climate interventions.

National and regional governments must consult with their large cities on the barriers being faced, and act quickly and collectively to create shared solutions. Good practice from across the world must be drawn upon, and ambitions and plans should align across government.

### *The power to control finance must be devolved to cities.*

Across the world, national governments have devolved responsibility to city mayors over many policy areas that impact climate change. However cities often lack the crucial financial autonomy to fund the infrastructure that is needed to deliver on these responsibilities. National governments should work with their cities to understand the gaps in power, and work to address these as a priority.

Cities demonstrating sound financial management and with adequate safeguards in place should have the authority to:

- Raise and collect own-source revenues
- Borrow, issue bonds and enter into public-private partnerships

- Price externalities, such as the creation of carbon prices or trading schemes, congestion charges and climate adaptation levies
- Introduce new mechanisms including tax and investment incentives to allow cities to capture and utilise increasing land values
- Establish green funds, with support from national governments for the necessary seed capital and technical assistance for these to commence operation
- Increase their borrowing limits where debt caps are unnecessarily or artificially low

Granting these powers to cities will allow them to undertake both large and small-scale investments necessary to tackle climate change. Governments must further support cities by sharing taxpayer and utility ratepayer data and offering the assistance of tax collection agencies in city revenue collection, maximising the receipt of cities' own-source revenues.

## *National governments must create a stable policy and regulatory environment.*

One of the most important responsibilities of national governments is to provide a stable policy and regulatory environment that can drive market demand. Government fiscal and regulatory policies should be reviewed to determine their impact on the urban investment environment, including property rates, incentives, effective institutions and stable legal and political frameworks, as well as predictability and timeliness in government fund transfers, to ensure cities can meet their financial obligations.

Creating a stable investment environment requires awareness of the decarbonisation plans being developed at the national and regional level. Cities and other levels of government should all be working towards '1.5 degrees' climate pathways, and planning accordingly. National governments can have a tremendous impact by instituting a national price on carbon and ensuring all proceeds raised are re-directed towards the development of low-carbon, climate resilient infrastructure.

As key drivers of economic activity, large cities should always be involved in the development of national and regional climate change mitigation and adaptation plans, and governments should support cities to develop their own action plans. Delivering on a '1.5 degrees' climate pathway at the country level requires an iterative, collaborative and coordinated approach that considers the roles and responsibilities of national, regional and local governments. This vertical alignment will help to ensure resources are deployed in the most efficient way possible.

Cities around the world have already made commitments to report on their greenhouse gas emissions, mitigation targets and climate risks using a common standard through the Compact of Mayors (now integrated into the new Global Covenant of Mayors for Climate & Energy). However, funding and technical assistance from national governments is needed to support development of mitigation pathways and plans that are aligned with the Paris Agreement, particularly in the global south. Development and disclosure of climate action plans can also send a powerful signal to the finance community that cities are ready for investment.

National, regional and city governments should work together to measure and develop greenhouse gas inventories and ensure that data on emissions and climate threats is as reliable and complete as possible. Collection and sharing of data on co-benefits and avoided costs from sustainable infrastructure across multiple layers of government would help build further political support.

## SUPPORTING TRANSFORMATIONAL PROJECTS

Cities have the ambition to deliver transformational projects, however investors still lack confidence in sustainable infrastructure investments at the city level, and steps should be taken to address this. In times of extremely low interest rates, there is sufficient investor appetite and capital for infrastructure projects. The bottleneck consists in the perceived shortage of bankable projects, often resulting from the capacity of cities to prepare projects for investment, and the way projects are presented and marketed.

Cities need to deliver multiple infrastructure projects successfully to achieve their goals for low-carbon growth. The opportunity cost of a city paying too much for current projects means that future projects may become unaffordable, or the city may reach its borrowing limits. It is therefore essential that cities are supported to reduce transaction and capital costs as much as possible.

The recommendations in this section should be taken forward by governments, the private sector, international organisations, community-based organisations and NGOs, working in close collaboration with cities.

### *Innovation, standardisation, pooling and pipelines must become the new normal.*

Overcoming finance barriers requires scale, and awareness of the size of the market, as well as standardised project structures. Such approaches can provide a greater confidence in the financial structuring, enable pooling and reduce project preparation time and transaction costs.

International partnerships that bring together the public, private and NGO sectors will allow cities to pool projects and share risks across jurisdictions and borders. They can also help fund the standardisation of uniform project investment templates and affordable climate measurement and verification mechanisms to structure infrastructure proposals, taking into account cultural and financing differences in different regions of the world. Governments should enable and encourage cities to utilise innovative financing tools such as PACE, on-bill financing, etc and address any policy or regulatory challenges to their application. Similarly, those working in the finance industry need training to support the delivery of green urban infrastructure projects.

The global pipeline of sustainable infrastructure projects should be collated and published – starting with the largest cities – to reveal the size of the opportunity and encourage more investors to engage in this market.

As the major holders of global capital, private and institutional investors, particularly pension funds and insurance companies, have a specific role and often a strategic interest in the development of sustainable cities. These funds should work harder to understand sustainable infrastructure technologies and project risk profiles, support the development of standardised project structures, and shape the creation of this new asset class in order to deploy large scale and flexible capital into projects identified in city climate action plans.

Innovation in financing is required, both innovation in the structuring and development of projects, but also the building of market confidence to use and deploy the new techniques and mechanisms developed. Governments should be fast to respond in understanding and permitting the use of new financing techniques, and city governments should be supported to find the financing structures that maximise the impact they can have.

Innovation, standardisation, pooling and pipelines will help reduce borrowing costs, however more will be required. Development banks and governments should provide credit enhancements for low-carbon and urban resilience projects at affordable and accessible terms, and made easy to access for city governments. This can make projects more financeable, reduce the costs of capital and leverage significant private investment.

## *Cities must be supported to develop their capacity to prepare and execute projects.*

A major challenge for city governments is the shortage of skills and internal capacity to prepare infrastructure projects for investment and ensure their successful implementation. As cities develop their climate action plans, they require significant capacity development support to prepare finance-ready projects for investment. Governments and philanthropic organisations need to direct funding towards efforts such as the C40 Cities Finance Facility, ICLEI's Transformative Actions Program (TAP), the R20 "100 Climate Solutions Project Campaign", the Cities Development Initiative for Asia (CDIA) and others, aiming to increase the pipeline of finance-ready sustainable infrastructure projects.

Investment is also needed to develop the capacity of city experts to prepare these projects, scaling up this support to reach all the cities that need it. National governments should provide cities with legal, technical and financial assistance to support capacity development and implementation of innovative financing mechanisms, including guidance on pricing externalities and conducting life cycle assessments, as well as their implementation.

**C40**
North West Entrance, City-Gate House
39-45 Finsbury Square, Level 7
London, EC2A 1PX
United Kingdom

contact@C40.org

c40.org



**Standing Committee on Finance (SCF) of the United Nations Framework Convention on Climate Change (UNFCCC), Call for inputs on Sustainable Cities in the organization of its next Forum**

19th October, 2018

**The EIB's partnership approach to Sustainable Cities**

Cities are important drivers of economic growth. Already today, cities are responsible for 80% of the energy consumption and 75% of the energy-related carbon emissions. Thus, as the urban population increases constantly, so will the emissions. By 2050, the global population is expected to increase to nine billion people, with around 66% living in urban areas. Thus, urbanization is one of these major challenges. At the same time, cities are our closest allies in tackling climate change as they are increasingly affected by a changing climate. We can only reach the goals of the Paris Agreement and the Agenda 2030 by acting together on the transition of urban infrastructure systems consistent with limiting global warming to 1.5 °C above pre-industrial levels.

The EIB is helping to close the financing gap for sustainable investments in low-carbon and climate-resilient urban infrastructure working directly with cities and in close partnership with others, including the Global Covenant of Mayors for Climate and Energy (GCoM), 100 Resilient Cities and GIZ. We support climate action in cities through investment loans, intermediated lending, equity funds and other financial instruments. The EIB has established a solid record in supporting subnational entities, with almost EUR 150 billion of urban lending since 2011, of which 44 billion for climate action. Over the same period, EIB's total climate finance was almost EUR 130 billion, contributing to over EUR 600 billion of climate action investment. By 2020, when the implementation of our Climate Strategy is completed, all EIB activities will be Paris-aligned. We are also helping others to follow on this as co-lead of the climate strategies work stream of the *Climate Action in Financial Institutions* initiative. Beyond financing, we are providing support to cities to prepare projects reducing greenhouse gas emissions, pilot new business models to green their infrastructure and identify adaptation options that increase urban resilience to climate change. In the attachment, we have highlighted some project examples and dedicated initiatives.

More recently, we have launched the Global Climate City Challenge[1] in collaboration with the GCoM to help cities to prepare and finance additional urban climate action projects (mitigation and adaptation) in Africa, Central Asia, Latin America and EU accession and neighbourhood countries. The aim is to make further public resources available and attract private investments to build greener, low-carbon and more climate resilient cities for future generations. To this end, we ask cities to come forward with their climate action projects and submit application until December 31st 2018 to the EIB (GlobalClimateCityChallenge@eib.org).

We believe cities require improved framework conditions conducive to mobilize the private sector, increased access to technical assistance as well as concessional finance and well-coordinated international partnerships in order to accelerate investments into high-impact climate action projects. For this reason, the EIB would welcome the SCF of the UNFCCC to enhance its work on Sustainable Cities and the associated climate finance architecture.

[1] http://www.eib.org/en/projects/sectors/urban-development/city-call-for-proposal/index.htm

**Annex**

## 1) EIB Examples for Climate Action projects in Cities

Zenata - Building the first eco-city in Morocco:

The EIB has provided a EUR 150m loan helping Morocco tackle uncontrolled urbanization by developing Zenata, a new town north of Casablanca. More than 30 000 people had settled in the commune across 26 informal slums, in housing without land titles. The government decided to develop the area into a carefully planned, appropriately densified, mixed use, energy efficient and sustainable city that aims at providing employment for citizens and relieve pressure on existing urban areas. The aim is to create 100 000 new jobs and house 300 000 residents over the next 30 years. Beyond the economic aims, the Zenata project has ambitious objectives in terms of its environmental performance. Urban design features designed to mitigate climate change impact reach from orientating buildings to make use of natural lighting, to channeling wind flows so that the city is naturally cooled or to promoting sustainable mobility through special rights of way and dedicated cycle lanes. Up to 30% of the land is reserved for public parks to moderate high temperatures and promote biodiversity. Energy-efficient lighting and building construction is being deployed. Finally, the design has also been adapted to the harsh natural conditions by storing seasonal flood water in retention ponds to better manage rainwater and therefore contribute to enhance the urban environment.

Development of Jujuy's urban waste management plan

The European Union co-finances the development of Jujuy's urban waste management plan in Argentina with a EUR 42.2m loan from the EIB and a EUR 11.3m grant. The investment is needed for the treatment of 200 000 tonnes of waste generated in the region and that, until now, has been sent to open-air landfill sites with no selective treatment capabilities. The project is part of the Jujuy Verde Carbono Neutral 2030 (Green Jujuy Carbon Neutral 2030) initiative launched by the Provincial Government, and covers the development of new infrastructure such as a composting centre, a biogas plant, collection and environmental centres, and the purchase of the equipment needed for the collection, sorting and recycling of waste, such as containers and refuse collection vehicles.

The implementation phase of the Jujuy integrated urban waste management plan will last until 2021, by which time the finished project will make it possible to provide solid urban waste services to approximately 800 000 people. The new waste collection and treatment infrastructure will create new economic opportunities in the region. Part of the EU financing will be used to support initiatives to provide training to people already working at the landfill sites, and particularly the social integration of women via the creation of new job opportunities. At the same time, the project will contribute to combating climate change by considerably reducing greenhouse gas emissions from landfill.

Quito’s first metro line

Located at almost 3 000 meters above sea level and surrounded by the Andes mountains, Ecuador’s capital city, Quito, is experiencing major traffic congestion and the demand for public transportation is increasing. To tackle these challenges, the government of Ecuador and the municipality of Quito have decided to construct the capital city’s first metro line. Backed by EUR 241 m from the EIB, Quito’s first Metro line will be the linchpin of an integrated public transport system, connecting the city north to south in 34 minutes and reducing $CO_2$ emissions. In its first year, the Metro is expected to serve

124 million passengers, 85% of them captive public transport users. The project will foster economic development through improved public transport and accessibility, as well as creating 1800 jobs during construction and 1000 during operation.

Athens - Increasing the cities' resilience

The EIB is providing a EUR 55 million loan complemented by technical assistance to the City of Athens with the objective to support the city in implementing its Resilient Strategy 2030 developed in cooperation with 100 Resilient Cities. The loan will support projects in different sectors and areas of the city while the technical assistance will ensure that these projects are resilient to the impacts of climate change which the city is increasingly exposed to, and that the projects are contributing to reducing greenhouse gas emissions. The technical support to these projects focuses, for example, on integrating energy efficiency measures into the renovation of historic buildings and schools across Athens or on increasing the building's resilience to earthquakes. In another area, the technical assistance will support the city in integrating green infrastructure components into the renovation and redesigning of public spaces, greening streets and public places with the objective to reduce urban heat island effects, increase water infiltration, air quality and creating green corridors to improve the habitat for the cities' flora and fauna.

This is an example of the growing cooperation between the EIB and the 100 Resilient Cities network.

## 2) Advisory and Technical Assistance in collaboration with European partners

Supporting urban development while ensuring climate change resilience is an ambitious objective that the EIB has committed to inside and outside of Europe. Thanks to a series of innovative initiatives in partnership with other EU institutions and governmental agencies, the EIB increasingly combines financing with technical assistance to support cities in their development process also from a strategic and technical standpoint. The technical assistance offered by the EIB usually covers services such as baseline studies, climate vulnerability assessments, capacity building, feasibility studies, advice on legal structure of the projects and much more, according to the precise scope of the initiative.

The EIB**,** in partnership with the European Commission, has developed the dedicated urban investment advisory platform **URBIS**. In its initial phase, it consists of three modules: (1) Increased awareness raising of existing instruments, programs, services; (2) Tailor-made technical and financial advice to cities; and (3) Exploring innovative financing approaches for city investments. As part of this initiative, the EIB has already provided technical assistance to Bologna and Newcastle to identify viable and costed adaptation options and enhance the resilience to climate change of these cities.

Similarly, a cooperation with the GIZ led to the joint initiative Financing Energy for Low-carbon Investment – Cities Advisory Facility (**FELICITY**), whose objective is to support urban projects expected to reduce greenhouse gas emissions by providing advisory services and capacity development in Brazil, China and Mexico. FELICITY is currently supporting low-carbon investment projects in 5 cities in Latin America (Porto Alegre, Mexico City, Curitiba, Florianopolis and Naucalpan) and collaborates with one financial Intermediary (Banco Regional de Desenvolvimento do Extremo Sul). The German Federal Ministry of the Environment (BMU) envisages expanding FELICITY, which will allow providing project preparation support to urban mitigation projects selected under the above-mentioned "Global

Climate City Challenge”. Beyond projects, FELICITY works together with international organizations, such as the Cities Climate Finance Leadership Alliance (CCFLA) to increase capacities and awareness in the field of subnational climate finance.

With the objective of supporting projects promoting biodiversity and applying nature-based solutions to climate adaptation, the EIB has also partnered with the European Commission to create the Natural Capital Financing Facility **(NCFF**). This initiative, through tailored loans and investments backed by an EU guarantee, aims at financing projects that promote the conservation, restoration, management and enhancement of natural capital for biodiversity and adaptation benefits inside the EU. Although not limited to cities only, in the urban context, this facility has been actively providing technical assistance to enhance energy efficiency in schools and other public buildings and to renew and green public spaces, addressing urban heat island effects and the impact of flash flooding.

The Union for the Mediterranean, the European Union, the French Development Agency and the EIB have joined forces to achieve a successful transition towards sustainable Mediterranean cities. The Urban Projects Finance Initiative (**UPFI**) supports project promoters in the southern and eastern Mediterranean, helping them to prepare and to finance ambitious urban development projects, which aim to create jobs, to reduce poverty and to upgrade the urban fabric.

**Call for inputs by the Standing Committee on Finance in the organization of its next Forum**

**Submission by ICLEI**

**17 October 2018**

## A. Proposed theme for next SCF Forum:

**"Toward sustainable and climate resilient cities and regions"**
**or**
**"Unlocking and catalyzing climate finance for local action"**

### Local actions to reach global goals

With the Paris Agreement and the United Nations' Sustainable Development Goals (SDGs) first time we have one Agenda for a Sustainable Future bringing all nations into a common cause to undertake ambitious global climate efforts. Despite this favorable environment, there exists a serious gap between how much money is and could be invested, and how much money is making it to local projects.

The rapid urbanization places huge demands on infrastructure, services, job creation, climate and environment. More than half of the population live in urban areas and 1.5 million people are added to the global urban population every week[1]. Cities consume over two-thirds of the world's energy and account for more than 70% of global CO2 emissions[2].

Given the continued and increasing pressures of climate change, acting at the local level is an urgent matter. Local and regional governments are in the front line of climate action, but they are unable to shoulder the massive infrastructure investments and adaptation efforts required for sustainable, low-to-no emission, and climate resilient development.

[1] PwC analysis of United Nations, Department of Economic and Social Affairs, Population Division (2014)
[2] C40. A Global Opportunity for Cities to Lead, www.c40.org/why_cities

## Climate finance gap and cities' barriers to funding and investment

The international community has to find ways to close an investment gap of USD 480 billion in order to reach the 1.5 °C global temperature target by 2030.[3]

While the International Finance Corporation estimates that while there is about USD 22.3 trillion (IFC 2016) in "climate-smart investment potential" worldwide, McKinsey (2018) reports that only USD 3 trillion is actually being invested.

Factoring in climate resilience in the urban infrastructure context, under the premise that business proceeds as usual, capital investment needs amount to about USD 4.1 to 4.3 trillion annually, with a premium of 9 to 27% per annum (USD 0.4 trillion to USD 1.1 trillion) of additional investment for a low-emission and climate-resilient path (CCFLA 2015).

Today more than USD 1 trillion is missing each year for urban investments; and the needs, for the coming decades, are projected to amount to several trillion dollars (CCFLA 2017).
Therefore, action needs to be ramped up at all levels of government, including local, regional, and national. In addition, relevant private sector stakeholders and industries, such as real estate and insurance need to be included at the table of decision-making and release the substantial adaptation financing necessary. At the same time, the engagement of invaluable community stakeholders, including women, youth, indigenous peoples, and the expanding informal sector and informal settlements in Global South cities ensures the longevity of adaptation action and often provides alternatives to adaptation financing at the micro-level.

Although in recent years, significant strides have been made with regards to ***availability*** of climate finance, ***accessibility*** of those funds remains limited. Local governments continue to be unable to reach the funds, which would require that they among others: understand their risk and vulnerabilities to climate change impacts; identify priorities and outline adaptation actions; identify investment needs; measure the climate benefits and co-benefits of their interventions in terms of return on investment (RoI); design sustainable, bankable, and financially attractive adaptation projects. However, the reality is that the preconditions for these steps constitute a challenge on their own as local and regional governments need to first achieve a certain level of financial literacy, acquire expert knowledge, and build capacity in project preparation and design. Though there is demand from IFIs for good quality local and regional projects, investment in building the expertise necessary to create successful local climate projects is a rare commodity.

The main bottlenecks identified:

- Lack of understanding the complexity of the financial architecture and funds available;
- Unfriendly regulations governing international financial institutions (IFIs) (most of which do not allow direct access to funding for local governments);
- The sheer size of the projects (most consider only large scale projects);
- Lack of capacity to develop financeable/bankable (adaptation and mitigation) projects;

[3] McCollum D, et. Al (2018) Energy investment needs for fulfilling the Paris Agreement and achieving the Sustainable Development Goals, *Nature Energy*, http://www.iiasa.ac.at/web/home/about/news/180618-climate-targets.html

- Finance gap on early stage project preparation (scoping, project definition phase);
- Submission requirements too complex and the process is too long;
- Lack of fiscal capacity (pre-financing, co-financing is not affordable; lack of creditworthiness);
- Difficulty to engage private sector (high risk, low ROI);
- Lack of understanding and fear from innovative financial instruments;
- Control at national level ( in many countries transfer and management of funds is subject to national level approval and control[4])

Needs of local governments and interest of financial institutions remain imbalanced. Large projects mainly focus on climate resilient infrastructure ("hard" measures), while funding for improving social systems, data collection, knowledge flows and capacity building for adaptation ("soft" measures) is limited. This overlooks the needs of cities, especially ones with large informal settlements and informal sector.

On the other hand financial institutions and investors are struggling to find bankable and financially attractive projects. Projects usually do not pass the bankability and creditworthiness threshold and are therefore not considered.

## Overcoming barriers and achieving sustainable and climate resilient urban future

The key message emerging from local and regional governments at past ICLEI Resilient Cities forums[5] has been the pressing need to create an enabling environment for investment and climate adaptation action at the local level so as to unlock the potential of cities for attaining the Sustainable Development Goals (SDGs) and achieving the Paris Agreement.

Ensuring ***good governance*** at the local level is an essential first step toward this direction. Local and regional governments need to demonstrate the capacity to manage funds effectively and provide a sufficient evidence base for the necessity and feasibility of their adaptation (or mitigation) climate projects.[6] In Global South cities, local capacity to secure and manage adaptation funding remains an obstacle. This could be mended by capacity building and investment in specialized city staff (Financial investment consultants, risk experts, chief financial officers, etc.)

In parallel, national governments need to create the necessary ***enabling regulatory environment*** which (a) facilitates the flow of resources from the national to the local level where climate action takes place and (b) ensures more autonomy for local and regional governments to systematically leverage investments from Public-Private-Partnerships (PPPs).

International financing institutions are called to increase the ***availability and accessibility of financial resources*** to subnational governments for climate change action (mitigation and adaptation). In order to

---

[4] In Brazil, for example, the national government must authorize loans to local authorities and vouch for their fiscal responsibility. http://resilient-cities.iclei.org/resilient-cities-hub-site/about-the-global-forum/
The same also often applies to private investment. In South Africa, national government's financial regulations restrict long-term contract periods between cities and private sectors. ICLEI (2016), Resilient Cities 2016 Report

widen accessibility, next to the creation of flexible investment mechanisms to fund small-scale projects, ***substantial capacity building and technical and financial assistance*** for project preparation already at the very early stage are required to jumpstart sustainable and financially attractive projects at the urban level.

It is important that capacity building and technical assistance for project preparation is tailored and contextualized.[7] Especially with regards to climate change adaptation, which is context-bound, project preparation needs to consider the unique conditions of cities in terms of hazards, vulnerabilities, project priorities, and multi-benefits as a result of adaptation projects. Further support is needed to ***quantify the benefits of adaptation actions***, e.g. in terms of avoided costs, insurance savings, and increased property value, to guide evidence-based interventions and to make a business case to other public and private actors.

Support is also needed to reconcile the different perspectives and priorities among sectors and establish a common language for effective PPPs that express "shared value approaches" which consider economic, social, and environmental returns. Defining mutual benefits from partnerships helps forge more lasting and effective multi-stakeholder coalitions. This is particularly true for PPPs, but also for broader socio-political partnerships that include marginalized and vulnerable citizens.

No single source of funding is sufficient to cover the anticipated costs of urban adaptation in the short and medium term. Cities should instead blend a mix of public and private funding from international, national, local, and community sources (e.g. loans, grants, bonds, microfinance, tax revenue, community lending, crowdsourcing etc.). Diversification spreads out risk for a more sustainable, locally-controlled strategy.[8] Therefore, it is necessary to consider new partners as eligible piece of the climate finance puzzle. For example, partnerships between cities and the (re)insurance, real estate industry and Micro- or Small and Medium Enterprises (MSMEs and SMEs) hold a great potential for unlocking expertise and resources for sustainable, low-to-no emission, climate resilient, and socially-inclusive urban development.

By safeguarding the business continuity of MSMEs and SMEs, governments (national and subnational) indirectly empower the women that often head these structures. By promoting the development of micro-insurance schemes at the local level, cities support the inclusion of women, youth, urban poor, and other marginalized communities. There are multiple benefits for supporting community-level economic activity and risk sharing. Though often partners have inherently conflicting interests (e.g. realtors and insurers' interests over high disaster risk properties), including the right stakeholders from the start of the projects, enables ownership of results and shared benefits.

As mentioned above good project preparation entails early stage preparation steps ("*project incubator phase*") where local leaders are given support to prepare projects more effectively. ***ICLEI's Transformative Actions Program (TAP)*** – an innovative initiative which aims at catalyzing and improving capital flows to cities, towns, and regions and at strengthening the capacity of the latter for accessing climate finance and

---

[7] C40 Cities Finance Facility, CDP and Global Covenant of Mayors (2018), *The demand for financing climate projects in cities*

[8] ICLEI (2016), Resilient Cities Report 2016

attracting investment – was created to address this gap[9]. TAP helps local and regional governments to develop robust and bankable projects ready for financing and implementation by connecting transformative climate projects with the right partners, experts, and project preparation tools. The program also helps local leaders by identifying their needs in terms of climate financing and builds their capacity to address those.

***ICLEI's climate neutrality framework[10]***

ICLEI has long advocated that local and regional governments commit to climate neutrality targets. This past June, at the ICLEI World Congress in Montréal, ICLEI issued a call to action[11] for the ICLEI network to address climate neutrality, starting with government operations. The ICLEI Montréal Commitment[12] calls on local and regional governments to aim for 100 percent renewable energy and divest from fossil fuels as critical steps to achieve climate neutral government operations and infrastructure.

The ICLEI Montréal Commitment is a roadmap to sustainable urban development where ICLEI challenges local and regional governments to tackle climate change through a systems approach, following five interconnected pathways towards low emission, nature-based, resilient, circular and equitable development.

Through the low emission pathway, local and regional governments step up to achieve climate neutrality and deliver on global climate goals. Our vision of climate neutrality is a holistic process that includes ambitious climate change mitigation and adaptation at home and additional contributions to global climate processes and mechanisms.

Here are four key steps that cities and regions can take towards climate neutrality.

[9] http://tap-potential.org/

[10] Further information available at: https://iclei.org/en/Climate_neutrality.html.

[11] See a related blog on this at: http://talkofthecities.iclei.org/four-steps-to-climate-neutrality/.

[12] Available at: https://worldcongress2018.iclei.org/wp-content/uploads/The%20ICLEI%20Montr%C3%A9al%20Commitment.pdf.

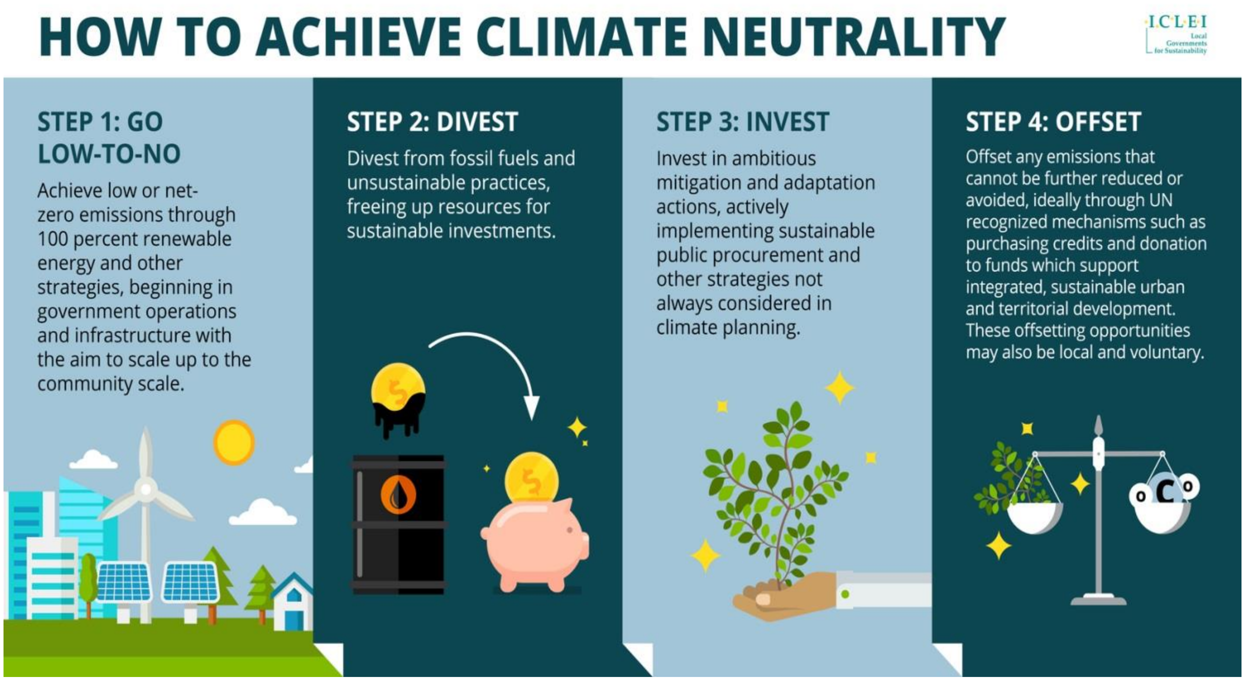


**Figure 1: ICLEI climate neutrality framework four step process.**

### *Divestment from fossil fuels: New York City case study*

On 11 September 2018 at the Global Climate Action Summit (GCAS), ICLEI USA and New York City Mayor's Office released the first in-depth case study on NYC's fossil fuel divestment decision.[13] The new case study details why and how New York City (NYC) has begun to divest billions of pension fund dollars from fossil fuels.

NYC's retirement system is the largest municipal pension system in the United States, controlling a total of USD 194 billion in investments. The case study provides the first in-depth look at this decision since Mayor Bill de Blasio made the announcement in January 2018. Through this divestment, NYC is effectively leading the global divestment movement and taking a critical step towards its target to become climate neutral by 2050.

"As one of ICLEI's longest standing members, New York City sets a strong example for our global network of more than 1,500 local and regional governments worldwide," said Gino Van Begin, ICLEI Secretary General. The case study[14] aims to show peer cities, large and small, that the principles and processes behind fossil fuel divestment are transferable to nearly any location where the will to divest exists. The study provides perspectives from various stakeholders on why New York City initiated the process to divest from fossil fuels — and the steps they are taking to get there.

[13] Case study is available at: http://icleiusa.org/wp-content/uploads/2018/09/NYC-Divestment-Case-Study-ICLEI-USA.pdf.

[14] An interactive web version of the report is available at: https://rise.articulate.com/share/zPTk51djvC1gi_Hd3MU-m7SuDumEgzen#/?_k=6jo5iy.

## Expected key recommendations as outcomes from 2019 SCF Forum

Based on the suggested theme for the next SCF Forum, it is expected that a set of recommendations will be presented in the form of a call to action for:

- Existing demand for climate finance to be met and imbalance between available funding for climate action at the international level and lack of finance at the local level to be corrected;
- Enhanced availability and accessibility for climate change finance at the subnational level;
- Greater project preparation support (financial and technical) for cities and regions. Including the project definition phase and tailored to local context with the ultimate objective of creating bankable, robust local climate projects ready for implementation and investment;
- Creation of innovative and flexible investment mechanisms to fund smaller scale projects;
- An enabling regulatory environment that facilitates the flow of resources from national to subnational level and supports cities-private sector partnerships;
- Innovative ways to mobilize and steer private and insurance investment at the local level;
- Quantifying climate change adaptation benefits and co-benefits from projects;
- Inclusion of key community stakeholders that ensures socially-inclusive and people-centered development.

## B. Relevant events scheduled to take place in 2019, which could be considered by the SCF as potential partners to organize the Forum with

ICLEI- Local Governments for Sustainability suggests the following list of major international events as appropriate for joining forces with the 2019 SCF Forum:

- Resilient Cities 2019 congress – 10th anniversary next year, big event with a confirmed pre-event at UNFCCC looking into local progress from the Cities IPCC, Bonn, Germany
- LOCS Africa – location and date tbc
- Latin America Climate Week (by UNFCCC), to be hosted by Salvador (Brazil) in July 2019
- FNP Sustainable Development Conference (National Mayor´s Front biannual conference) to be hosted by Brazil in August 2019 - participants mayors and cities

## C. Relevant information and case studies in relation to the proposed theme

- TAP projects: http://tap-potential.org/projects/
- Financing the Resilient City, ICLEI White Paper
- Close to home: Subnational strategies for climate compatible development, CDKN/ICLEI paper
- carbonn Climate Registry (cCR) 2016-2017 report (on climate data available - here you see how cities finance adaptation/mitigation efforts page 16)
- Resilient Cities Report 2015 (especially pages 8-10 for finance outcomes), Resilient Cities Report 2016 (pages 11-13 finance outcomes), Resilient Cities Report 2017 (pages 7 to 9 -- Outcomes from 1st ever Insurance Industry & Cities Summit) and Resilient Cities Report 2018 (pages 17-18)
- CCFLA (2018), Summary of Good Practice of Successful Project Preparation Facilities

- CCFLA (2017), Localizing Climate Finance, Mapping Gaps and Opportunities, Designing Solutions (2nd Edition of the CCFLA mapping report)
- Finance opportunities for climate change solutions in cities (Resilient Cities 2016 Background paper)
- Going to town: How the Green Climate Fund can support a paradigm shift in cities (Resilient Cities 2016 Background paper)
- C40 Cities Finance Facility, CDP and Global Covenant of Mayors (2018), The demand for financing climate projects in cities
- McCollum D, et. Al (2018), Energy investment needs for fulfilling the Paris Agreement and achieving the Sustainable Development Goals, Nature Energy
- Green Climate Fund (2018), Seventh Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change. GCF/B.20/15 (8 June 2018)
- Climate-KIC Learning Platform (2018), Sustainable Infrastructure Finance e-course
- SIF (2018), PFF Finder

**Women's Environment & Development Organization**

**Submission from the Women's Environment and Development Organization (WEDO)[1]**
*in response to the call for inputs by the Standing Committee on Finance in the organization of its next Forum*

## A. The theme for the next Forum of the SCF, building upon the outcomes of the discussions of the Committee at its 18th meeting on this item:

**The Women's Environment and Development Organization (WEDO) supports the proposed theme of Sustainable Cities and strongly encourages gender to be included as a cross-cutting element.** Cities are increasingly where the majority of the world's population lives and works, and thus cities are the loci of many critical gender inequalities. By 2050, nearly 80% of the world's women and girls will live in urban areas.[2] Cities have historically developed and been governed by entrenched gender inequalities, including, for example, in housing and tenure rights, participation in city government, access to relevant transport options, and exposure to violence which need to be addressed.[3] Creating access to financing and reorienting financial architecture that considers gender (and intersectional) inequalities and engages gender experts, women's organizations and gender-related groups as well as gender machineries is a necessary component toward progress on sustainable cities.

We would also support themes or sub-themes, such as sustainable transportation or water infrastructure (both proposed), but do urge the continued support of gender as a cross-cutting issue throughout all the sub-themes. Looking at gender as a cross-cutting issue means avoiding the pitfalls of featuring it as a siloed side topic, as the subject of a single "special" break-out session, or highlighting the participation of women in the Forum as demonstrative of discussing gender-responsive climate finance. While gender parity in speakers, panels, and other aspects of the Forum remains a significant goal the SCF should strive to reach through intentional and inclusive design of the Forum, representation of women is not a substitute for engaging gender experts to frame the gendered aspects of climate finance architecture and implementation. Gender experts participating in the Forum across themes will highlight both cities' needs for gender-responsive programming and examples of gender-just climate solutions, often women and community-led, that deserve resources and the opportunity to be replicated and/or scaled.

WEDO has engaged with and supported various climate finance mechanisms in developing increasing information on and access to financing for women and gender-related groups, including facilitating training and support to these institutions and national gender machineries to build their capacity, while also holding the financing mechanisms accountable to their policies and mandates. Some of the activities in which WEDO has recently engaged, which is not an exhaustive list of WEDO's engagement with promoting gender-responsive climate finance, include the following:

---

[1] For more information, please contact Tara Daniel, tara@wedo.org.
[2] UN Conference of Parties, Outreach Issues, Warsaw, 2013, www.cop19.gov.pl.
[3] See, for example, Chant, Sylvia and McIlwaine, Cathy (2016) Cities, slums and gender in the global south: towards a feminised urban future Routledge, London, UK. ISBN 9780415721646

- Under the CIF E&L Initiative's Transformational Change Learning Partnership, WEDO has undertaken a strategic CIF-wide evaluation and learning process, aimed at capturing ways in which implementation of investment plans and projects has been enhanced via the early engagement of women and gender-related groups, including national gender machineries, in development and design. The intention is to establish learnings on proven methods, common challenges, and transformational impacts of these efforts, articulating clear and useful guidance for decision-makers and implementors.
- WEDO has contracted with Prospera, the International Network of Women's Funds, to examine the theoretical and practical experiences of access, power, and participation for women's organizations seeking to engage with international climate funds, particularly in the Asian-Pacific region, and identify ways various actors can work to re-orient climate finance to provide more effective pathways for supporting gender-responsive climate action.
- As an accredited observer to the GCF, WEDO has contributed significantly to the CSO work analyzing the GCF Gender Equality Policy and Action Plan drafts, and reviewed and offered comments on individual gender assessments and action plans within specific funding proposals
- With Both ENDS, as a partner of the Global Alliance for Green and Gender Action (GAGGA), and supported by the Wallace Global Fund, WEDO launched the initiative, "Women Demand Gender-Just Climate Finance." The initiative is funding the direct participation of feminist and women's rights activists in the work of the GCF, supporting regional feedback channels, working with women's funds on strategies for direct access, and hosting a webinar series to take a deep dive into important aspects of the climate financing architecture, with the aim of ensuring this money reaches local women's groups, that projects are designed to respond to the needs of communities, and that the work of the GCF respects human rights.

Additionally, and in coordination with the aforementioned inclusion of gender, WEDO supports the proposal to include capacity building as another cross-cutting sub-theme during the next Forum, particularly supporting capacity building on the issues and approaches for enhancing a gender-responsive approach toward achieving Sustainable Cities, with evidence of lessons learned and practices to be shared across city-relevant topics.

WEDO would be willing and interested to share findings and lessons learned from our work, as well as contribute to efforts to build capacity of engaged people/institutions of the SCF on gender dynamics and considerations within urban landscapes.

### B. Relevant events that are scheduled to take place in 2019, which could be considered by the SCF as potential partners to organize the Forum with

The NDC Partnership hosts regional NDC Dialogues to build the capacity on a variety of issue pertinent to this proposed Forum theme and subtheme. Noting the role of financing in the NDC Partnership as a strategic pillar, the SCF could engage with the Partnership and UNDP (which facilitates the NDC Dialogues and support members (countries, international implementing agencies and donors). Supporting the Dialogue with relevant issues regarding financing for Sustainable Cities, as well as the cross-cutting issues of gender and capacity building are both integral to the NDC Partnership objectives and goals to enhance climate change action.

## C. Relevant information and case studies in relation to the proposed theme.

- UN Women’s three-page brief “Gender and the New Urban Agenda” describes how the New Urban Agenda strategically supports mainstreaming gender equality and women’s empowerment across all social development goals: http://www.unwomen.org/en/digital-library/publications/2016/10/gender-equality-and-the-new-urban-agenda
- The report “Access and Gender,” the first paper in the *Access for All: Policies for Inclusive Transit-Oriented Development* series, looks at sustainable urban mobility with a gender lens and makes recommendations: https://wedo.org/access-series-policies-inclusive-transit-oriented-development/
- The position paper of the Women’s Major Group circulated during the High Level Political Forum in July 2018, contains an analysis and recommendations for Goal 11 (Make cities and human settlements inclusive, safe, resilient and sustainable), from a gender perspective on pages 9-11: http://www.womenmajorgroup.org/wp-content/uploads/2018/04/WMG_HLPF2018_Combined_final.pdf
- The Sustainable Urban Transport Project report “Approaches for Gender Responsive Urban Mobility” was released at the Women Mobilize Women Conference, and is complemented by the SUTP factsheet “Implementing the New Urban Agenda (iNUA): Gender and Urban Transport”: https://sutp.org/en/news-reader/how-to-make-urban-transport-gender-responsive.html

## YOUNGO Working Paper to UNFCCC Secretariat Submission for Standing Committee on Finance Forum 2019

Drafted by:

- Muhammad Shaqib Shahrilnizam (Malaysia, Malaysian Youth Delegation)
- Lhavanya Dharmalingam (Malaysia, Malaysian Youth Delegation,)
- Punyapha Visavakornvisisd (Thailand, Assumption University of Thailand)
- Emily Oi Yen Tse (Malaysia, Malaysian Youth Delegation)

---

YOUNGO would like to present its stance on Youth as a sub topic for Standing Committee on Finance (SCF) Forum 2019 and provide recommendations to UNFCCC Secretariat. Overall, we would like to emphasise the role of youth in sustainable cities as the sub-topic for the forum and youth as an important stakeholder in this process.

The problem is not whether youth will be able to raise their voices, but rather if cities will be able to respond appropriately to these challenges, provide opportunities and harness their potential for development.

We would like the Secretariat and the parties to focus on enhancement of the **economic, social and politics to the youth as a main element in this sub topic**. The integration among this three elements is important not just for the sustainable cities and economics purpose but for the future of the world as well.

Globally, 85 percent of the world's young people live in developing countries, and an ever-increasing number of them are growing up in cities. All over the world, young people are finding it increasingly difficult to break into the labour market. Youth has been categorized as a main human resource group on creating and maintaining the sustainable cities in 2030. Under social element, **green based employment, green entreprise and green based economics model should be emphasized on youth** by providing them set based of guidelines and several programs that can enhance this element within the framework and timeline.

Youth should be more integrated by adapting with climate finance and green economy towards 2030. Under economic element, **there should be more discussion and session that focus on financing youth driven sustainable cities project**. This session will make it more accessible to youth on getting financial help and giving understanding on climate finance.

Under political element, we need more integration program and framework that includes youth not just as a participation but as a major stakeholders in the driven process. **Youth City Dialogue is needed in the forum to increase the discussion on increasing our ambition of climate resilience goals and enhance our capacity building across group of organization and parties.** UNFCCC and SCF must recognize the potential of the youth as a major force for creating a better urban future.

In conclusion, these are the elements and programs that secretariat should be highlighted under youth as a subtopic for this forum. We like to work on youth participatory even more, we continue on providing help in some perspective and we would like to work on in this process to make more equal and smoother process not just for all of us but for the future. We hope that this process will accepted gracefully by the committee members and the secretariat.