

PRESS RELEASE

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Cities and finance join forces to launch new global initiative to strengthen urban climate investment

- Pilot initiative launched today - Global Climate City Challenge - to strengthen technical preparation and financing for cities in Africa, Asia and Latin America
- Global Covenant of Mayors for Climate & Energy and European Investment Bank partner to accelerate urban climate action

The Global Climate City Challenge launched in San Francisco today will address key technical and financing barriers to strengthen investment in green projects and programmes essential to improve resilience to a changing climate in cities home to millions of people.

Urban climate action projects will be strengthened by accessing best-practice and technical assistance intended to mitigate the risks of climate change, enhance impact and improve financial sustainability of first time projects.

Projects in an initial six cities will be selected to benefit from the Global Climate City Challenge and eligible schemes can get in touch today.

People living in cities around the world will benefit from the new initiative intended to mitigate the risks of climate change and enhance the impact of climate related investment. The new initiative seeks to transform financing for low-carbon and climate resilient infrastructure by mobilising significant private investment and increasing support from public resources. The programme will strengthen financing to help cities to cope better with a changing climate, cut energy bills, improve waste and water use and support low carbon and resilient sustainable development.

Urban climate action to benefit from global perspective and unique financial expertise

The Global Climate City Challenge is a joint initiative of the Global Covenant of Mayors for Climate and Energy, representing over 9,000 cities from six continents, and the European Investment Bank, the world's largest international public bank, and in collaboration with global and local city networks, including ICLEI – Local Governments for Sustainability and C40 Cities Climate Leadership Group.

FELICITY, a technical assistance programme for low-carbon infrastructure projects in cities jointly led with the German Corporation for International Cooperation (GIZ) will also contribute to the Challenge. The German Federal Ministry of the Environment (BMU) envisages expanding FELICITY, which will contribute to Global Urbis and the respective partnership between GCoM and the EIB.

The Global Climate City Challenge was launched at the Global Climate Action Summit by Mauricio Rodas, Mayor of Quito and Global Covenant of Mayors Board Member, and Jonathan Taylor, European Investment Vice President.

Mauricio Rodas, Mayor of Quito and Global Covenant of Mayors Board Member: “Cities around the world have a multitude of challenges to cope with, with limited means to do address them. Low carbon projects continue to be delayed due to technical capacity barriers to access private investment. The new Global Climate City Challenge brings together both sector experience and financial expertise to provide technical assistance, advisory services and blended financing instruments to local governments, to accelerate cities’ capacity to develop high quality and investor-friendly climate action plans. This new initiative will ensure that new investments in energy, transport, water, waste and resilience will make a lasting difference in the years ahead.”

Maroš Šefčovič, Co-Chair of the Global Covenant of Mayors, Vice President of the European Commission, responsible for the Energy Union: “Today, more than ever, it is essential for all levels of government to fight climate change. With the right support, cities have the power to tackle the climate challenge, transform society and create a sustainable future. We can achieve this only by working together. This collaboration between the Global Covenant and European Investment Bank is a prime example of how we can come to a solution, releasing resources and finance that will help cities to meet and exceed the objectives of the Paris Agreement.”

Jonathan Taylor, European Investment Bank Vice President: “Accelerating urban investment to reduce carbon emissions and better cope with a changing climate is crucial for future generations. Schemes around the world already show how technical preparation and financing can make a huge difference to local challenges. The time has come to ensure that best-practice is shared and lessons learnt from the most successful projects benefit schemes being considered for the first time elsewhere. Bringing together expertise from the EIB’s work with cities around the world and the unique Global Covenant of Mayors network will help tackle the crucial urban climate action investment gap. I call upon all cities to see how this exciting new initiative can transform the impact of existing and future urban investment plans.”

Christiana Figueres, Global Covenant of Mayors Vice-Chair, former UNFCCC Executive Secretary: “Strong and sustainable cities are a necessary driving force to reach our Paris Agreement targets. The Global Climate City Challenge between one of the world’s leading finance institutions and the Global Covenant’s broad network of Mayors will help cities turn their climate strategies into real investments, create jobs and help them meet their commitments for sustainable society and future.”

Ashok Sridharan, Mayor of Bonn and President of ICLEI: “To bring local climate action to scale, we need investment-ready, high impact projects with clear social and environmental benefits. Initiatives like the Global Climate City Challenge bring together financial institutions and cities, building local capacity to develop, deliver and finance local projects. This is critical to achieving global climate targets and closing the gap between investment needs and funding that effectively reaches the local level. ICLEI is bringing the Transformative Actions Program to the Global Climate City Challenge as a concrete mechanism to support its strategy.”

First EIB joint technical and financial urban climate action programme launched

In the coming weeks the Global Climate City Challenge will support climate action projects in six cities under an initial pilot programme. This will include working to enhance the bankability of projects and increasing financing support as well as sharing experience of smart city technology and innovative urban financing.

Strengthening investment by all urban stakeholders

Municipal and local authorities, as well as municipal authorities, utilities and partners involved in financing urban projects will be able to benefit from the new initiative.

The initiative will focus on high-impact projects in Africa, central Asia, Latin America, the European neighbourhood and EU accession counties. www.eib.org/GCCCC

Global Climate City Challenge expected to scale up future engagement

City challenge winners will benefit from the first targeted support from the Global Climate City Challenge with engagement expected to last two years.

Looking ahead the Global Covenant of Mayors and European Investment Bank are exploring how to scale up the Global Climate City Challenge initiative and further accelerate support for urban climate action, including through cooperation with additional financial partners.

Building on urban experience

As part of its contribution to the Urban Agenda, the European Investment Bank provided nearly EUR 150 billion for investment in urban infrastructure and services between 2011 and 2017. This includes providing crucial support for new urban development, sustainable transport and social housing as well as improving water, energy, health and education infrastructure in cities across Europe and around the world.

The Global Covenant of Mayors for Climate & Energy is an international alliance of cities and local governments with a shared long-term vision of promoting and supporting voluntary action to combat climate change and move to a low emission, resilient society.

Background information:

About the European Investment Bank:

The European Investment Bank (EIB) is the long-term lending institution of the European Union and is owned by the EU Member States. It is the world's largest financier of climate-related investment with USD 100bn committed for climate action in the 5 years up to 2020 in support of the Paris Agreement, representing more than 25% of its total financing.

<http://www.eib.org/en/projects/sectors/urban-development/index.htm>

About the Global Covenant of Mayors for Climate & Energy:

The Global Covenant of Mayors for Climate and Energy is the largest global coalition of cities and local governments voluntarily committed to actively combatting climate change and transitioning to a low-carbon and climate resilient economy. Led by UN Secretary-General's Special Envoy for Climate Action, Michael R. Bloomberg, and European Commission Vice President, Maroš Šefčovič, in partnership with local, regional and global city networks, the Global Covenant has thousands of city signatories across 6 continents and more than 120 countries, representing over 700 million people or nearly 10% of the global population. By 2030, Global Covenant cities and local governments could collectively reduce 1.4 billion tons of CO2 emissions per year from business-as-usual – equal to the emissions of taking all car in the United States off the road for one year. www.globalcovenantofmayors.org

Details about the Global Climate City Challenge and call for cities: www.eib.org/GCCCC

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