

## **NEW CALLS TO CITIES AND INVESTORS ANNOUNCED TO DELIVER SUSTAINABLE FINANCE GROWTH IN CITIES WORLDWIDE**

**Two Calls to Action to step up efforts to close the urban green investment gap by mobilizing up to US\$ 6 billion from public and private investors – making public funds go further and greener**

**Brussels, March 22<sup>nd</sup>, 2018:** Today, in the context of the European Union’s High Level Conference on Sustainable Finance, and three months after the One Planet Summit in Paris, further progress of the Global Urbis partnership and two new calls to cities and financial investors were announced. Global Covenant of Mayors for Climate and Energy (GCoM) Co-Chairs, the UN Secretary General’s Special Envoy for Climate Action Michael Bloomberg and European Commission Vice President Maroš Šefčovič, the Presidents of the European Investment Bank (EIB), Werner Hoyer, and the European Bank for Reconstruction and Development (EBRD), Suma Chakrabarti, and the World Bank Group (WBG) announced an Invest4Cities Call to the global investment community worldwide to fast track the delivery on the commitments announced at the One Planet Summit. In addition, the EIB and the Global Covenant announced a first-of-its-kind Call for Interest to the GCoM network of thousands of cities around the world to provide access to technical support and financing for low-carbon infrastructure investments. Combined, the two Calls will address both ends of the critical urban finance gap: They will support the development of high quality bankable low carbon and resilient infrastructure projects in cities and mobilize financial resources at an unprecedented scale from banks, institutional investors and private donors.

Three months ago, at the One Planet Summit hosted by President Emmanuel Macron, attended by over 50 Heads of State, the European Union, the Global Convent of Mayors, the European Investment Bank and the European Bank for Reconstruction and Development announced Global Urbis, an ambitious global initiative to provide cities on a global scale with financing and technical assistance to mobilize private capital. President Macron included it as one of the global transformative initiatives of the Summit.

Today, we are proud to announce progress and next steps. **EIB President Werner Hoyer and the Global Covenant of Mayors announce, as part of the Global Urbis implementation, a global partnership under which the EIB will open a new Call for Interest to access technical and financial support for low-carbon and resilient infrastructure projects to the GCoM network of thousands of global cities.** The partnership builds upon the experience gained by the EIB, a global financial institution active in 160 countries covering the majority of GCoM cities, in setting up and starting to deliver URBIS - a dedicated advisory platform for investment support to cities launched at the Cities Forum in 2017 and developed in partnership with the European Commission in the framework of the EU Urban Agenda. The Call for Interest will be piloted starting at the Global Climate Action Summit in San Francisco in September this year.

The global partnership is articulated around 3 key pillars: (1) raising awareness among local authorities, civil society organisations, businesses, private investors and philanthropies concerning the investment needs for climate action in urban areas, the expected long and short-term benefits as well as the available financing solutions, (2) providing dedicated advisory services for climate action planning and project preparation in cities, (3) fostering the financing of urban climate action projects, through the identification of financing opportunities, direct EIB funding, the development of new financing approaches and fund-raising from the GCoM and EIB networks to provide grant funding for credit enhancement and technical assistance as needed. Under Global Urbis, action under the EIB-GCoM Partnership will strengthen and complement initiatives supported by other partners, e.g. programs such as the WBG City Resilience Program.

The EBRD is also fast advancing delivery of Global Urbis under their **Green Cities Framework**, launched last year as part of the partnership with the Global Covenant. The EBRD with seed contributions from bilateral donors is already financing US\$ 50 million of green urban infrastructure projects and supporting the development of an additional pipeline of US\$ 360 million for 20 of the 50 cities they intend to serve.

The other large scale financial partnership announced at the One Planet Summit by the Global Covenant with the World Bank Group is already showing first results too. Under their **Cities Resilience Program** the WBG has already raised seed donors funding of US\$ 12 million and has a pipeline of green cities projects of US\$ 400 million today to work with 55 cities by July this year.

These partnerships show how seed money used for technical assistance and credit enhancement financing can catalyze significant amounts of sustainable finance. They generate bankable investment opportunities and accelerate the deployment of green infrastructure finance to cities' public finance. They are turning sustainable finance growth and the delivery of the Paris Agreement into a reality.

**Ambitious urban climate action is key to delivering on the goals of the 2015 Paris Agreement.** Global Covenant cities alone – which represent almost 10 percent of the global population – have the potential to collectively reduce 1.3 billion tons of CO2 emissions per year from business as usual by 2030. This equals the emissions of 276 million cars taken off the road. Yet to meet these ambitions, cities around the world require massive and targeted financial resources to deliver low carbon and resilient infrastructure for their populations, and public funds and development finance alone cannot bank them. The Paris Agreement funding shortfall is further enhanced by the US\$ 2 billion deficit left by President Trump bailing out the US contributions to the Green Climate Fund. We need to leverage on public funds to mobilize significant private capital flows.

In response to this funding shortfall **the Global Covenant, the EU, EIB, EBRD and World Bank Group are announcing a second call today: an Invest4Cities Call to the global investment community.** The Call aims to raise an initial US\$ 200 million for technical assistance for 400 cities, primarily in the Global South, and US\$ 600 million for credit enhancement financing, which combined can catalyze up to US\$ 6 billion in green and resilient urban infrastructure – making public funds go further. It will **finance low-**

**carbon initiatives and resilience projects such as public transit, e-mobility and bike sharing infrastructure, energy-efficient buildings, clean energy, waste management and flood walls**, improving the quality of life for citizens even in the most vulnerable communities. As recently reported by the OECD, in 2012 to 2015, US\$ 81.1 billion were already mobilised from the private sector by strategically leveraging official development finance in the form of guarantees and other risk-sharing instruments.

The Invest4Cities Call aspires to connect the dots with other initiatives announced by French President Emmanuel Macron during the Climate Finance One Planet Summit, such as the Climate Action 100+, where 225 of the most influential global institutional investors with more than US\$ 26.3 trillion in assets under management committed to engage with the world's largest corporate greenhouse gas emitters to step up their actions on climate change.

#### **QUOTES:**

**Michael Bloomberg, Co-Chair of the Global Covenant of Mayors, UN Secretary General's Special Envoy for Climate Action:** Investment in modern, low-carbon infrastructure makes cities better places to live, which helps them attract new residents and new investment. It's a virtuous cycle – and this effort will help to speed it up, by making city climate initiatives more attractive to investors.

**Maroš Šefčovič, Co-Chair of the Global Covenant of Mayors, Vice President of the European Commission:** There is clearly a momentum and we have to seize it. The partnerships with the EIB and the EBRD, which we announced at the One Planet Summit, are delivering. They will ensure that cities around the world, including in Africa, have access to much-needed finance for urban infrastructure developments. Only through massive and targeted investment from non-state actors – combined with public funding – can we ensure that cities can build the low emission and climate resilient infrastructure that is needed to implement the Paris Agreement.

**Werner Hoyer, President of the European Investment Bank:** Climate Action is at the core of the EU Bank's mission. As the biggest single multilateral financier of climate action projects worldwide, we are committed to helping deliver on the Paris Agreement. But partnerships are key to success. The real results will happen through working together on the ground - particularly in cities around the world where we see not only some of the most devastating effects of climate change but some of the most innovative solutions. That's why our partnership with the Global Covenant is so promising. Helping cities get projects off the ground is one of the most concrete ways we can tackle global warming - and I urge the cities themselves to take up the challenge.

**Suma Chakrabarti, President of the European Bank for Reconstruction and Development:** Our work with the Global Covenant of Mayors is already leading to increased green financing and we are pleased to step-up our partnership in a growing number of climate change mitigation and adaptation projects across cities in the EBRD regions of operations. Further, faster, greener and smarter is the way to go for city climate finance to the benefit of their citizens, of businesses and of the world.

**Mohamed Sefiani, Mayor of Chefchaouen, Morocco, and GCoM Board Member:** The impact of climate change is already felt all over the world, in rich and poor, developed and emerging countries – and especially in cities that are often situated in exposed and particularly vulnerable areas. We're proud of the progress we've made in my own city, Chefchaouen, to adapt to and mitigate the impacts of climate change, but there is always more to be done. Accelerating cities' access, particularly for those in the Global South, to funding for sustainable infrastructure developments is critical as we work together toward the shared goals of the Paris Agreement.

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#### Note to editors

**About the Global Covenant of Mayors for Climate & Energy:** The Global Covenant of Mayors for Climate & Energy formally brings together the Compact of Mayors and the Covenant of Mayors, the world's two primary initiatives assisting cities and local governments in their transition to a low-carbon and climate resilient economy, and helping demonstrate their global impact. 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. Learn more at: [www.globalcovenantofmayors.org](http://www.globalcovenantofmayors.org).

**About the European Investment Bank:** The European Investment Bank is active in around 160 countries. It is the bank of the European Union, owned by its 28 member states and is the world's largest financier of climate-related investment. A quarter of all EIB financing supports climate action and the EIB is committed to providing US\$ 100 billion for climate related investment in the five years up to 2020. The EIB's climate strategy also commits to dedicating 35% of financing to climate action in developing countries by 2020. Learn more at: <http://www.eib.org/projects/priorities/climate-and-environment/index.htm>

**About the European Bank for Reconstruction and Development:** The EBRD is a multilateral bank committed to the development of market-oriented economies and the promotion of private and entrepreneurial initiative in more than 30 countries from Morocco to Mongolia and from Estonia to Egypt. The Bank is owned by 65 countries, the EU and the EIB. The EBRD's strategic plan for the countries where it invests for the period 2016-18 has three priorities: strengthening economic resilience, addressing global challenges and supporting regional integration. Follow us on the [web](#), [Facebook](#), [LinkedIn](#), [Instagram](#), [Twitter](#) and [YouTube](#).

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