



Webinar on
Mobilising Climate Finance for Cities - Unveiling
Strategies for Navigating from Concept to Financing

Tuesday, 19 March, 2024 | 14:00 – 16:00 (IST) / 15:30 – 17:30 (Bangkok time)



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Event Report

19|03|2024

EVENT INFORMATION

BACKGROUND

The South Asian region is identified as one of the most vulnerable regions to climate change and its impacts. With an estimated population of more than 2 billion people, the South Asia region is also home to some of the world's poorest and most vulnerable populations. Despite this, the annual flow of climate finance in South Asia in 2021/22 represented only 4 percent (USD 45 billion) of global climate finance.¹ Two key roadblocks for South Asian cities could be attributed to the lack of knowledge of various city-oriented mechanisms and platforms available to access climate finance and the limited technical capacity to successfully engage with them.

OBJECTIVE

The GCoM South Asia Webinar '**Mobilizing Climate Finance for Cities - Unveiling Strategies for Navigating from Concept to Financing**', organized by ICLEI South Asia, the GCoM South Asia Technical Coordinator, with support of the European Union Delegation to India (EUD), the GCoM India Coordinator, and GCoM SA Networking and Governance Coordinator, aimed to facilitate capacity and knowledge building of GCoM South Asian cities and beyond by preparing good quality applications and EoIs to access climate finance.

The webinar achieved the following objectives:

- Apprise the audience of the GCoM and the technical support provided by the GCoM to the signatory cities to access climate finance.
- Shared tips and strategies on climate reporting to access climate finance.
- Inform the participants of the various project preparation and financing platforms available globally and in the South Asia region, their application process, and their impacts, and
- Build the capacity of GCoM South Asian cities to prepare good-quality applications and EoIs to submit to project preparation and financing platforms.

OUTCOME

As an outcome of the webinar, the participants, primarily from the local governments of South Asian cities, gained valuable insights about the various tools and frameworks adopted by financing and project preparation platforms to provide climate finance. The participants were also briefed on various points to consider while filling out the Expression of Interest (EOI) for the City Gap Fund.

STAKEHOLDERS

The webinar brought together municipal engineers, administrative officials, local government representatives, representatives from NGOs and civil societies, private sector consultants, and academicians. This webinar was mainly designed for local government officials responsible for climate action planning, climate reporting, and mobilizing climate finance for the implementation of local climate actions.

¹ <https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf>

METHOD

The webinar was organized online on Zoom. The panel of speakers comprised 10 speakers with expertise in supporting cities in accessing climate finance, including the GCoM Asia Team Leader, GCoM India Coordinator, and Policy Officer from the Delegation of the European Union to India.

BENEFITS

- The webinar developed the capacity of city officials, administrators, and authorized stakeholders supporting city development to prepare good quality EoIs to submit to the Gap Fund.
- The participants learned about various project preparation and financing platforms available globally to support the development and implementation of climate-resilient infrastructure projects.
- The participants learned about the GCoM, its network, and the support provided by the GCoM to its signatory cities with their climate initiatives and to climate finance.

PROGRAMME

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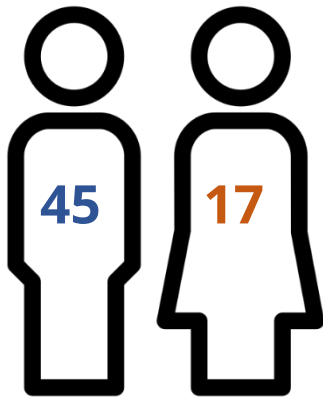
Moderation: Ms Kaushani Banerjee, Communications Manager, ICLEI South Asia

Time	Session
14:00 – 14:05	Welcome Remarks <ul style="list-style-type: none">- Keshav Jha, GCoM South Asia Technical Coordinator, Manager (Research & Advocacy), ICLEI South Asia- Mr Abhishek Pandey, Team Leader, GCoM South Asia Network and Governance Coordinator
14:05 – 14:10	Inaugural Remarks <ul style="list-style-type: none">- Ms Johanna Mansson-Delerce, Policy Officer (JPD), Delegation of the European Union to India
14:10 – 14:20	Introduction to GCoM South Asia and GCoM Common Reporting Framework <ul style="list-style-type: none">- Mr Pablo Gandara, Team Leader, GCoM Asia Project
14:20 – 14:35	GCoM Initiatives to Support Cities Access Climate Finance <ul style="list-style-type: none">- Ms Asma Jhina, Senior Advisor, Urban Climate Finance and Inclusive Action, GCoM
14:35 – 14:50	Climate Finance Success Stories from European City <ul style="list-style-type: none">- Ms Christine Zhou, Executive Director, Bankers without Boundaries
14:50 – 15:05	Insights from the State of City Climate Finance <ul style="list-style-type: none">- Mr Alastair Mayes, Programme Associate, Cities Climate Finance Leadership Alliance (CCFLA)
15:05 – 15:45	Project Preparation: Key Learnings and Insights from GAP Fund <ul style="list-style-type: none">- Ms Jazlyn Lee, Regional Focal Point for Southeast and South Asia for The City Climate Gap Fund of GCoM- Mr Marvin Lagonera, City Advisor for Southeast Asia and South Asia for The City Climate Gap Fund of GCoM
15:45 – 15:55	Q&A session & sharing of experiences by the participants Guiding questions: <ul style="list-style-type: none">• What is your city's experience with accessing climate finance? What are the top two issues and challenges?

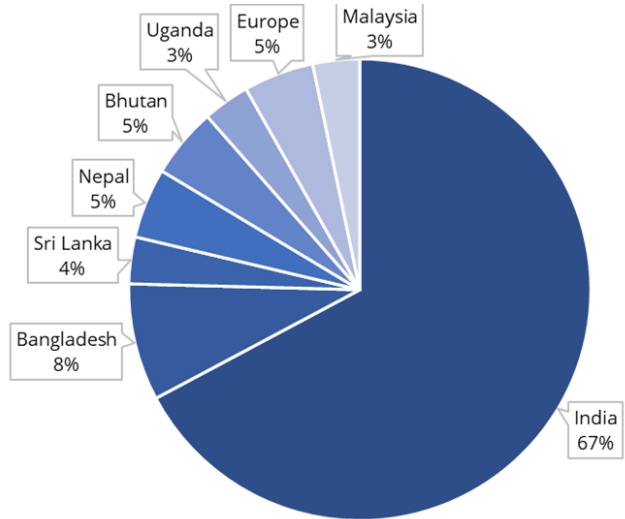
	<ul style="list-style-type: none">• What are the key sustainable and climate-resilient infrastructure projects for which your city is looking to get finance?• What type of support does your city need from GCoM and its partners to help access climate finance?
15:55 - 16:00	Closing Remarks <ul style="list-style-type: none">- Mr Ashish Verma, GCoM India Coordinator

PARTICIPATION INFORMATION

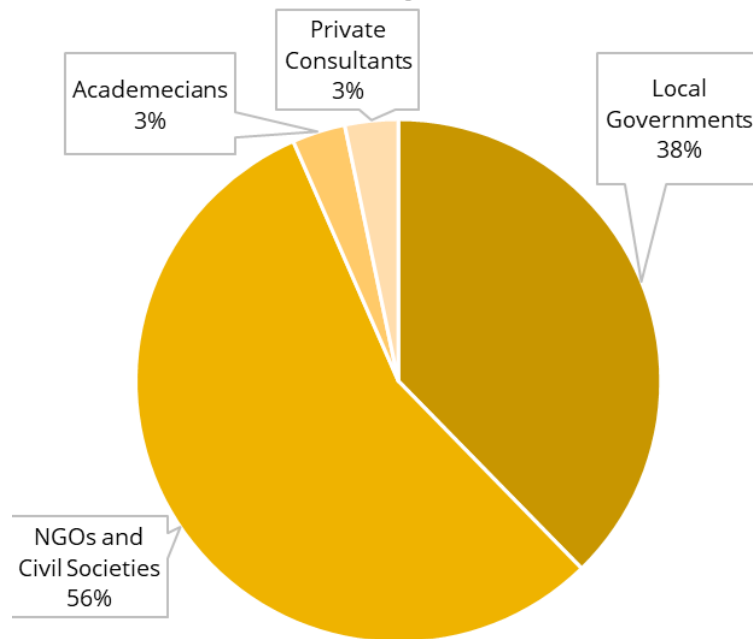
61
Participants



Geographic Distribution of Participants



Organisation Wise Distribution of Participants



SUMMARY

Mr. Keshav Jha, Manager (Research and Advocacy), ICLEI South Asia opened the session with words of welcome to all the participants and panelists. Mr. Keshav Jha provided a brief introduction to ICLEI — Local Governments for Sustainability — its network, its services, and the support provided to governments in the region through its multiple pathways. He elaborated on the activities undertaken by ICLEI South Asia as the GCoM South Asia Technical Coordinator to benefit GCoM signatory cities in South Asia. He further explained how the GCoM Technical Coordinator assists South Asian cities in accessing climate finance, offering detailed insights to the participants. The GCoM Technical Coordinator has supported GCoM SA cities in preparing and submitting applications through initiatives like the GCoM Bankable Cities Climate Project, Gap Fund, Transformative Action Program, and the European Commission-supported Urban Transitions Mission.

Mr. Abhishek Pandey, Team Leader, GCoM South Asia Network and Governance Coordinator, All India Institute of Local Self Government (AIILSG), spoke about the GCoM Regional Business Matchmaking workshop held in December 2023 in Kathmandu, Nepal. 25 out of the 48 signatory cities from the South Asia region attended the workshop. The participating cities met with technology providers from Europe that provided solutions to various climate challenges faced by the cities. He emphasized the importance of exploring financial avenues following the matchmaking activities. The GCoM SA Network and Governance Coordinator, with support from the GCoM SA Technical Coordinator, is following up with interested cities to access technical support and climate finance.

Ms. Johanna Mansson-Delerce, Policy Officer (JPD), Delegation of the European Union to India, remarked that with the increasing urban population, cities, especially those from the South Asian region, face challenges in providing and improving the quality of urban services. Climate finance is one of the catalysts for bringing about transformative changes, and the EU is one of the biggest contributors, providing around 1/3rd of the world's climate finance. She highlighted that the GCoM offers an opportunity for South Asian cities to strengthen their commitment to the Paris Agreement and improve access to climate finance. She stressed that we must leverage innovation and technology to maximize the impacts of climate finance. By embracing innovation and creativity, we can unlock new avenues for climate finance and accelerate progress towards our shared goals.

Mr. Pablo Gandara, Team Leader, GCoM Asia Project, introduced the Global Covenant of Mayors to the participants. There are 241 GCoM signatory cities in the Asia region, representing more than 250 million people and representing around 49% of the average GHG reduction targets globally. He also briefed the participants on GCoM's Common Reporting Framework (CRF) and setting targets and goals through climate action plans. Pablo also provided insights on the support provided to GCoM South Asian cities, particularly to access climate finance through platforms such as the Climate City Gap Fund and the Transformative Actions Program (TAP), managed by ICLEI. He highlighted the importance of making climate-resilient infrastructure projects bankable to attract investors. Lastly, he shared a short video of the GCoM Business Matchmaking Workshop held in Kathmandu.

Asma Jhina, Senior Advisor, Climate Finance, City Resilience, and Inclusive Action, GCoM Global Secretariat, began by setting the context of how cities contribute to global energy consumption and GHG emissions, and how finance is key to converting targets and plans into mitigation and adaptation actions and impacts. In the South Asia region, waste management, buildings/energy efficiency, transport, water management, and renewable energy are the top 5 sectors. She highlighted that despite ambitious targets set by cities, the lack of sufficient finance poses a significant challenge, with current funding falling far short of requirements. Some of the GCoM initiatives to help cities access climate finance include Finance Academies to brainstorm ideas to implement projects, CDP Global Infrastructure Snapshots, and Investor Roundtables to connect city projects to investors. GCoM is also working towards reducing the perception of higher risk and transaction costs by incentivizing MDBs by providing concessional capital, undertaking derisking research, and developing a concept proposal for regional or global guarantee funds. To bring reforms into MDBs, GCoM is targeting the World Bank, and a few other MDBs, and GEF to understand what they can do to make urban climate finance a strategic component of MDB reform.

Key Quote: “The 2021 State of Cities Climate Finance Report acknowledges that we need USD 4.5—5.4 trillion annually for urban climate finance, but actual finance flows are only USD 384 billion, less than 1% of the required. Out of this, 83% goes to high-income countries plus China, and just 9% goes to adaptation.”

Christine Zhou, Executive Director, Bankers without Boundaries, began by introducing her organization and their work. She also shed light on key tools and frameworks for financing a city's journey to decarbonization, namely Climate Investment Plans, the City Project Finance Framework, and the Mobilisation of Capital Hub. Having worked with more than 100 cities, key learnings include the unique nature and local context of each city, the benefits of working in cohorts, the

utility of engagement tools such as the Climate Investment Plans, the criticality of citizen engagement, and the need to transition from a grant-funding mindset to a private financing mindset. She also shared two examples of project finance from Europe. The Latvian Baltic Energy Efficiency Facility (LABEEF) takes financing risk away from Energy Service Companies (ESCOs) after the upgrades so that the residents would have to pay to LABEEF instead of the ESCOs. The Wyre Natural Flood Management Project utilized a blend of public and private finance to implement nature-based flood management solutions. The financing mechanisms included outcomes-based financing, institutional debt financing, concessional debt financing, and grant financing.

Key Quote: "From the investment plans we have seen so far, we estimate 112 European cities would require Euro 650 billion to fill in the funding gap for the projects to reach their net-zero goals. It can't be done through public funding alone, and private capital access is required."

Alastair Mayes, Program Associate, Cities Climate Finance Leadership Alliance (CCFLA), presented the insights from the State of City Climate Finance Report, 2021. On a global scale, there are more urban climate finance flows from the private sector than from the public sector. While globally the private sector is leading the urban climate finance flows, in developing countries, this trend is reversed with more reliance on the public sector. Over 90% of the climate finance is going towards mitigation and dual-use projects, dominated by sustainable transport projects and building infrastructure and energy efficiency projects. He expressed concern that just 9% of climate finance goes towards adaptation projects, largely within the water and wastewater space, despite there being a pressing need for resilience-building measures. Additionally, he remarked that South Asia receives a vastly insufficient amount of urban climate finance.

Alastair also shared some recommendations for cities to increase access to climate finance. These include embedding climate considerations at all levels of city planning, strengthening municipal finance capacities, leveraging own sources of revenue to incentivize investment, and working closely with city networks and project preparation facilities to develop bankable projects.

Key Quote: "Just 6% of the global adaptation finance goes towards South Asian cities, where we have three of the 10 most populous and vulnerable cities."

Jazlyn Lee, Regional Engagement Lead for Southeast Asia and South Asia, GCoM-Gap Fund Partnership, introduced the City Climate Finance Gap Fund to the participants. She highlighted various factors that influence the bankability of a project. These include political will and support, the city's administrative capacity, financial fundamentals, quality of project preparation and risk assessment, costs and potential revenue, and co-benefits. The City Gap Fund provides technical assistance to cities during project preparation to bridge the gap between project ideation and implementation. She also highlighted examples of technical assistance provided to cities through the Gap Fund, such as recommendations and analyses on green building construction standards and guidelines for a group of cities in the Maldives, and developing climate-resilient master plans for Rajshahi, Basail, and Milandah in Bangladesh.

Marvin Lagonera, City Advisor for Southeast Asia and South Asia, discussed the challenges cities generally face while filling up the Expressions of Interest (EoIs) and points to consider to improve the quality of the EoIs. He began by explaining various sections of the Gap Fund EoI and the data to be filled in them. In addition, he highlighted some key considerations to be incorporated while filling out the EoI. The EoIs should emphasize the climate focus and project impacts, be specific about the project stage and the kind of technical support required, and be submitted on behalf of a city official or an authorized individual or entity. Marvin and Jazlyn also reviewed preliminary drafts of EoIs submitted by Colombo and Nilphamari for their respective projects.

Key Quote: “The cities should be from the eligible countries listed in the OECD Development Assistance Committee List. Additionally, the projects have to have climate action potential, looking into GHG mitigation actions as well as adaptation actions.”

Q&A Session

Is the Gap Fund also available for project implementation? Is there any guidance or portal available for this kind of funding opportunity?

Mr. Marvin Lagonera – The Gap Fund focuses on the early stages of project preparation, and support will come in the form of technical assistance. It will not cover funding for implementation; the scope of the Gap Fund includes concept development and strategy development up until pre-feasibility studies. However, cities can mention in the application if they are seeking matchmaking opportunities, and that can be evaluated by the Gap Fund Secretariat. It is also important that the city have an initial idea of short-term and long-term project financing prospects before applying.

How does the Gap Fund help cities get concrete funding?

Ms. Jazlyn Lee – After the completion of the technical assistance, the Gap Fund, based on the impacts and potential of the projects, shares them with potential financing agencies. Agencies such as the World Bank and European Investment Bank (EIB) do have projects where they provide funding for project implementation. So, we do try to connect projects with such financing opportunities.

Vadodara mobilized INR 100 crore through green municipal bonds, however, investors are not interested in green projects. What can be done to attract investors for such green certifications and bonds?

Mr. Ashish Verma – We can find out why municipalities have taken this initiative to green-certify their projects but are not getting enough traction. We can discuss this with agencies that specialize in green bonds with support from the GCoM Technical Coordinator.

Mr. Keshav Jha – Climate Bond Initiative, has a few tools and frameworks and has been doing technical training programs on green municipal finance. We can reach out to them for their technical support.

Closing Remarks

Mr. Ashish Verma concluded the session by highlighting the pool of climate finance opportunities available to cities. He also highlighted with examples the role of GCoM in acting as an interface between these opportunities and the city governments.

The webinar recording can be accessed [here](#).

Session-wise slide decks can be accessed [here](#).

For more information, please write to us at: gcomcoordinator@icleisouthasia.org

Key takeaways:

1. Cities and countries must leverage innovation and technology to maximize the impacts of climate finance.
2. The 241 GCoM signatory cities in the Asia region represent around 49% of the average GHG reduction targets globally.

3. Along with public funding, private capital access is critical for the projects to reach their net-zero goals.
4. Proper preparation, including developing robust project proposals, conducting feasibility studies, and engaging with financial institutions early on, are crucial factors in successfully securing climate finance.
5. While globally the private sector is leading the urban climate finance flows, in developing countries, including the South Asia region, this trend is reversed with more reliance on the public sector.
6. There is a huge disparity in climate finance flows across regions, with the majority of the flows going towards East Asia, the Pacific, and Western European regions. South Asia receives a vastly insufficient amount of climate finance, despite three of the world's 10 most populous and vulnerable cities being in the South Asia region.
7. GCoM is actively engaged in advocating for reforms within Multilateral Development Banks (MDBs) to incorporate urban climate finance as a strategic element of their overall reform agenda.
8. The Gap Fund EoI should substantiate the climate challenges, their impacts on the population, past climate trends, the scope of the project, and the project benefits. Generalised proposals without clear climate objectives should be avoided. Some of the other guidance on preparation of Gap Fund EoI are as follows:
 - a. For the reasons for requesting Gap Fund support, cities should elaborate on any capacity gaps and the technical expertise required for project assessment before implementation.
 - b. Some of the details that can be substantiated include the anticipated risks along with mitigation actions concerning the project, financial assessments (CAPEX and OPEX), financing and revenue generation models, and the scalability of the project.
 - c. To substantiate the climate impacts and the need for the project and justify the benefits, the cities can refer to climate risk assessment, climate change action plans, technical studies developed by academic and scientific institutions, and Nationally Determined Contributions (NDCs), among others.
 - d. Assessing scalability during project design ensures that the project can benefit a significant portion of the population.
 - e. While the Gap Fund's scope includes concept development and strategy development up until pre-feasibility studies, it also supports matchmaking to finance project implementation on a case-by-case basis.
9. Capacity building is a key component in empowering cities to navigate the complex landscape of climate finance, with recommendations for training programs and knowledge-sharing initiatives.

ANNEXURE

1. Panellists

Sr. No.	Name	Designation	Organization	Email
1	Keshav Jha	Manager (Research & Advocacy)	ICLEI South Asia	keshav.jha@iclei.org
2	Ashish Verma	GCoM India Coordinator	GCoM South Asia	averma@globalcovenantofmayors.eu
3	Abhishek Pandey	Team Leader, GCoM Network and Governance Coordinator	AIIISG	abhishek@aills.org
4	Christine Zhou	Executive Director	Bankers without Boundaries	christine.zhou@bwb.earth
5	Jazlyn Lee	Regional Focal Point for Southeast and South Asia	GCoM-Gap Fund Partnership	jlee@GCoMprojectsupport.org
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7	Alastair Mayes	Programme Associate	Cities Climate Finance Leadership Alliance	alastair.mayes@cpiglobal.org
8	Asma Jhina	Senior Advisor, Climate Finance, City Resilience and Inclusive Action	GCoM Global Secretariat	ajGCoMce@gmail.com
9	Johanna Månsson-Delerce	Policy Officer (JPD)	Delegation of the European Union to India	johanna.mansson-delerce@eeas.europa.eu
10	Marvin Lagonera	City Advisor for Southeast Asia and South Asia	GCoM-Gap Fund Partnership	mlagonera@GCoMprojectsupport.org
11	Kaushani Banerjee	Communications Manager	ICLEI South Asia	kaushani.banerjee@iclei.org

2. Participants

Sr	Name	Designation	Organization	Email
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			MAB and Nilphamari Municipality	
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