



Webinar

International Climate Policy and the Role of the Urban Sector

28 January 2016, 08:30 – 09:30 UTC/GMT



<https://newclimateinstitute.files.wordpress.com/2015/12/cop211.jpg?w=925&h=480>



<http://www.iclei.org/typo3temp/pics/2636dc43ac.png>

Transformation - Urban Opportunities - Climate Change (TUrbOCliC)

Cross-sectoral group of the TUEWAS and SNGA network of GIZ





Programme

- **Welcome and Moderation**

Eva Ringhof, Social Development Specialist at CDIA and Joint Speaker of TUrbOCliC

- **Presentations**

- **Role of cities at COP21 and their consideration in the Paris Agreement**

Ms. Lisa Lebershausen, GIZ Advisor “Cities and Climate Change” BMUB

Ms. Katrin Eisenbeiss, GIZ Advisor “Sustainable Development of Metropolitan Regions” BMZ

- **C40 Cities Finance Facility - Supporting Cities to deliver low-carbon and climate resilient infrastructure projects**

Mr. Martin Dirr, Product Manager Urban Resilience GIDRM and Project Manager C40 Cities Finance Facility

- **Discussion and Wrap-up**



Role of cities at COP21 and their consideration in the Paris Agreement

TUrbOCLiC Webinar:
International Climate Policy and the role of the Urban Sector – COP21 Outcomes

28th January 2015

Lisa Lebershausen
Advisor „Cities and Climate Change“;
BMUB

Katrin Eisenbeiss
Advisor „Sustainable Development of
Metropolitan Regions“; BMZ



Content

- 1. COP21 and the Paris Agreement – key outcomes**
- 2. Role of cities in climate change**
- 3. Role of cities at COP21:
examples for engagement and commitments**
- 4. Consideration of the local level in the Paris outcomes**
- 5. COP21 – a success for cities?!**



COP21 and the Paris Agreement – key outcomes

- Long-term mitigation goal
 - Keep temperature rise well below 2°C & pursue efforts for 1.5°C goal
 - Reach global peaking of GHG emissions as soon as possible, GHG neutrality in the second half of this century
- Adaptation goal: increase ability to adapt and foster resilience
- Finance flows consistent with low emission and resilient development
- Ambition mechanism:
 - Five-year cycles of action and global stocktake on progression of efforts to reach long-term goals (2018, 2023)
 - Transparency framework: report on countries' emissions and track progress on NDC; enhancement of country commitments (2020)



COP21 and the Paris Agreement – key outcomes

- Acknowledgement of Loss and Damage
 - enhanced cooperation and support (Warsaw International Mechanism for L&D)
 - no compensation or liability
- Support and Financing:
 - Annually USD 100 billion (from 2020 until 2025) by developed countries
 - Private finance mobilization a collective effort
 - Developed countries taking the lead, others invited to voluntarily support
- Capacity Building
 - Paris Committee on Capacity Building: work plan 2016-2020
 - Increasing synergies and cooperation at all levels
 - Country-specific & to strengthen ownership of countries



COP21 and the Paris Agreement – key outcomes

- Legal form: The Paris Agreement...
 - ... is ambitious, dynamic and fair
 - ... is a universal, legal agreement under the UNFCCC
 - ...will be open for signature from April 22 2016
 - ...will enter into force in 2020 after ratification by at least 55 parties representing at least 55% of total global GHG-emissions



Introduction: Role of cities in climate change

- Ca. 70% of global energy consumption, ca. 75% of global natural resource consumption, and ca. 70% of energy-related GHG emissions in cities → **Cities as drivers of climate change**
 - High vulnerability of cities due to accumulation of people and assets → **Cities as victims of climate change**
 - Cities offer:
 - proximity to people and understanding of needs
 - knowledge and innovation hubs
 - economies of scale / efficiency gains
 - mayors as 'champions' for initiating change
- **Cities as solutions and actors against climate change**



Role of cities at COP21

1. Advocacy for cities' role in fighting climate change
 2. Show activities and commitments of cities as role models for national governments
- **Lima-Paris Action Agenda – Thematic Day „Cities and Regions“**
 - **Global initiatives fostering local and regional climate engagement:** Compact of Mayors, Covenant of Mayors, Compact of States and Regions, Carbon Neutral Cities Alliance, Cities Finance Leadership Alliance, ...
 - Commitments by 2,254 cities and 150 regions at NAZCA platform
 - **Paris Action Statement:** increase scale & number of cities & regions' climate action, build resilience, scale up financing, reinforce dialogue, partnerships and policies among all levels



Role of cities at COP21

- **Climate Summit for Local Leaders**
 - **Mayor of Paris, Anne Hidalgo & UN GS Special Envoy “Cities and Climate Change”, Michael Bloomberg**
 - **Ca. 1,000 cities and regions representatives**
 - **Paris City Hall Declaration:**
 - participatory resilience strategies and adaptation plans
 - annual GHG emission reduction of 3.7 gigatons by 2030
 - transitions to 100% renewable energy and 80% GHG emission reduction by 2050
- **Prominent actors in numerous side events organized by city networks and member states**



Consideration of cities in the Paris outcomes

1. Agreement

- **Preamble:** “*Recognizing* the importance of the engagements of all levels of government and various actors ... in addressing CC.”
- **Article 7:**
recognition of adaptation as challenge for all levels and key component of long-term global response to CC
- **Article 11:**
Capacity-building to foster country ownership of Parties, including at national, subnational and local levels



Consideration of cities in the Paris outcomes

2. Decisions

- Uphold and promote regional and international cooperation to mobilize stronger and more ambitious climate action by all Parties and non-Party stakeholders, including cities [among others]
- **Capacity building:** foster global, regional, national and subnational cooperation and identify opportunities to strengthen capacity at the national, regional, and subnational level;
- **Non-party stakeholders:** efforts welcomed, invitation to scale-up, needs to strengthen knowledge, technologies and practices as well as for incentives recognized



Summary: COP21 – success for cities?!

- **Recognition** as important actors for climate change mitigation and adaptation
- **Engagement**
 - Involvement in international agenda setting and
 - Consideration and involvement in strategies and policies
- **Empowerment** for development and implementation of local solutions



**Thank you
for your attention!**

Lisa Lebershausen

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C40 CITIES FINANCE FACILITY



C40 Cities Finance Facility

Supporting cities to finance low-carbon and resilient infrastructure projects

Martin Dirr

Background

- C40 Cities Climate Leadership Group: Global Network of Megacities to address climate change and its negative consequences
- The **C40 Cities Finance Facility (CFF)** was launched at the C40 Cities Forum at the COP in Paris
- CFF aims to support C40 cities to prepare finance-ready projects for investment, to build city capacity and help catalyse further action by sharing successes and best practice
- The facility is supported at launch by grants of:
 - €3.5m (approx \$3.8m) from BMZ
 - \$2m from the Inter-American Development Bank (IADB)
- The German Government support is coordinated through the German International Cooperation Corporation (GIZ)

Challenges

- Cities major actors in climate change, both as drivers of climate change as well as it's victims
- 60% of the projected urban area in 2030 is yet to be built
- Today's urban planning and design will pave way for the next 50-100 years. → risk of „lock-in“ development paths vs. Chance of transformation
- Cities under enormous pressure to source funds for urgently needed investments in sustainable urban infrastructure

Challenges – financing the urban transition

- US\$ 57 trillion in infrastructure investment will be required in until 2030 just to keep up with expected global GDP growth. Most of it needed in cities. (MGI 2013)
- Major bottlenecks for cities to progress their projects are the lack of capacity to prepare projects for investment as well as the lack of knowledge about existing financing instruments
- Potential investors (banks, institutional investors, specialist funds etc.) are increasingly interested in investing in urban development
- More and more experiences exist on innovative financing instruments

C40 Cities Finance Facility (CFF)

– Principles of operation

- Provision of **demand-driven support** - Cities request support from the Facility to take forward their sustainable infrastructure priorities and identify suitable financing instruments
- The Facility works in the **best interests of supported cities** and their projects, not a specific capital provider, financing mechanism or construction company. Cities and their citizens are the beneficiaries and in the centre of interventions.
- Support is **targeted towards strategic actions** identified in city climate action and resilience plans as well as in the overall vision and master plan of the city, ensuring a strategic underpinning for infrastructure developments
- **Financially sound and sustainable projects** - Projects supported must be based on a feasible plan for operation and maintenance & cost-recovery, ensuring the long term sustainability of the project.

C40 Cities Finance Facility (CFF)

– Principles of operation

- **Ownership and capacity development** - ensuring city officials are the key actors in the project preparation process
- **Transparency** in all areas of project selection and preparation
- **Outcome oriented** – the object in each supported city is that projects achieve financial close and CFF leverages significant investment in sustainable infrastructure.
- **Catalyses action** – supports cities to share their learning and experiences, and catalyses action in the finance sector through standardisation of deal structures and raising awareness of city infrastructure pipelines

Example: supporting cities to access market based finance

Cities have:

- Technically strong projects
- Powers to deliver
- Mayoral commitment

Cities need:

- Financing skills and capacity
- Transactions advice
- Affordable capital
- Faster deal making

Bridging the gap:



Demand-driven
support to cities

Technical cooperation
to develop bankable projects

Building city capacity

Creating conditions
for investment

Connecting projects to
capital providers

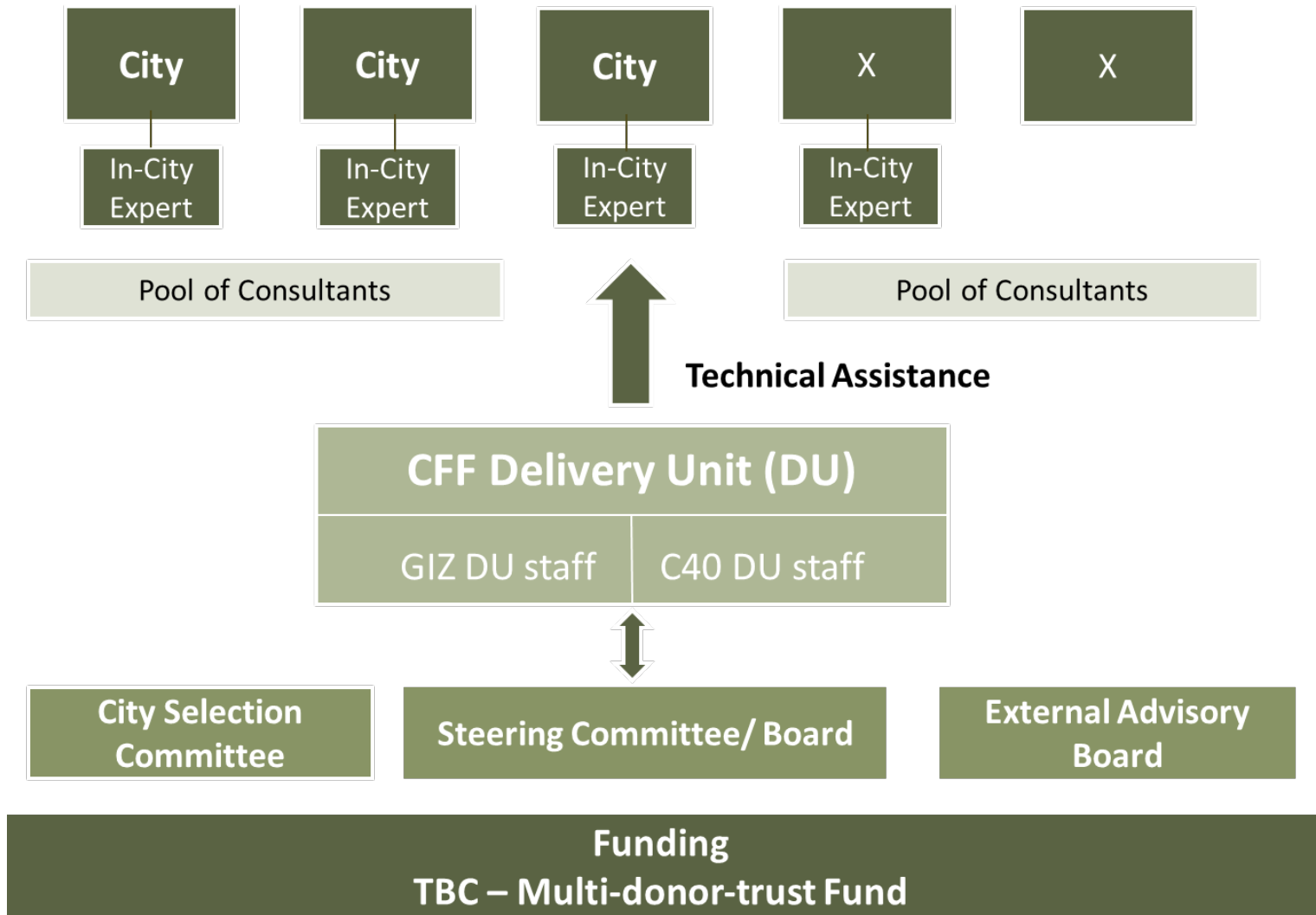
Financiers have:

- Large green funds
- Experts on deal making
- Ability to make decisions quickly

Financiers need:

- Deal flow
- Financially and technically prepared projects
- Low risk regulatory environment

CFF support structure



2016 and beyond

- 2016 is pilot year
- Intended to support 3 projects in 2016: 2 transport project and 1 adaptation project
- In February/March, a group of up to 8 cities will be invited to apply for support out of which 3 cities will be selected by a project selection committee based on transparent selection criteria. Cities to be announced at the German Habit Forum in Berlin
- In parallel the institutional establishment of the CFF is pursued in order to develop an organisational structure which allows for the most effective and efficient delivery of TA to cities and which also allows for catering of additional funding by more donors.

C40 CITIES FINANCE FACILITY



http://www.c40.org/blog_posts/c40-germany-iadb-achieve-major-breakthrough-for-developing-cities

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Thank you very much!

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