

IMPRINT

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Connective Cities

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CONTENTS

FOREWORD	4
INTRODUCTION.....	5
Background	6
The Virtual Dialogue Event.....	7
Network of Collaborators	8
Map of Participation.....	9
The Virtual Dialogue Event Program.....	10
DAY 1: TOPICS & CHALLENGES.....	11
Keynote Lecture: Insights from the State of Cities Climate Finance Report.....	12
Insight Presentation: Financial Assessment of Coimbatore, India in line with the Climate Smart Cities Assessment Framework.....	12
The Marketplace – Project Presentations by the Cities.....	13
Choosing the Topics for the World Café Sessions	16
DAY 2: DIVING DEEPER.....	17
Project Preparation Facilities – Challenges, Lessons Learnt and Recommendations for Cities.....	18
World Café Sessions	24
Reflections.....	25
DAY 3: PLANNING ACTION	26
Combating the Loss of Urban Green Cover in Coimbatore, India.....	27
Tackling Solid Waste Management in Kendari, Indonesia & Dhangadhi, Nepal.....	29

EVENT OUTCOMES & FEEDBACK.....	31
Concluding Thoughts	32
Feedback from Participants.....	33
A Snapshot from the Event.....	34
Organizing Team	35

FOREWORD

Having in mind the very strong need for local climate actions, it is crucial to help cities navigate the project financing world, bridging the gap between developing good and bankable projects and getting these projects to be financed (either public or private sources). Several challenges come along the way: missing enabling conditions at national/sub-national and local levels, insufficient capacities and institutional settings, lack of data and vertical and horizontal integration. It has been said a lot of times: it is important to get your story right and to sell it well.

The topic of urban (climate) financing is very important to many of our Asian projects. We are really delighted and thankful to have embarked in this learning journey with so many different organizations. A special acknowledgement to our co-host of the event Connective Cities, for their invaluable support, in the design, implementation, participant mobilization and follow-ups. We strongly believe there are very promising synergies to be taken forward, in our joint quest for supporting cities in their learning processes and development aspirations.

Moreover, the event “Unturning the stones – Finding Climate Finance for Asian Cities” gave us the opportunity to cooperate more closely with different projects supported by German Development Cooperation agencies: Cities Finance Facility (CFF), Financing Energy for Low-carbon Investment – Cities Advisory Facility (FELICITY), City Climate Finance Gap Fund (Gap Fund), Cities Development Initiative for Asia (CDIA), the Cities Climate Finance Leadership Alliance (CCFLA), Leading Urban Climate Action (LUCA), and last but not least, the Sector Project Cities. To all colleagues who supported the event design, keynote speeches, panel discussions, and participant mobilization: our kindest thanks! We do hope that this is only the starting point of a fruitful and continuous cooperation.

A particular thanks to our colleagues on the ground from different GIZ bilateral projects, that helped to mobilize participants from several cities across the region (Coimbatore – India; Dhangadhi and Nepalgunj – Nepal; Khulna – Bangladesh; Malang and Kendari – Indonesia; and Quezon City – Philippines) and also provided their expertise during the event: Climate Smart Cities (CSC) in India, Capacity Development Support to Governance (CD-SG) in Nepal, Climate Resilient Inclusive Smart Cities (CRISC) in Bangladesh, and Emissions Reduction in Cities through Improved Waste Management in Indonesia.

Municipal representatives that joined the event have confirmed the important take-ways based on sharing experiences and on best practices from other cities and peers. Highlighting the networking and peer-to-peer learning opportunity, it can be said that the well-structured sessions and interactive methodologies offered important informative knowledge on enabling conditions for urban climate financing, on project preparation facilities, as well as practical tools to be used further in municipalities’ day-to-day work.

This publication consists of two products. The first product entails insights about the organizations that collaborated and made the event possible, along with several selected publications/knowledge materials produced by them, and by several other relevant actors in the field. There is really a great amount of information available, and we have tried to put some of it together in this overview. The second product focuses on the details of the event itself, information about the experts who joined in, the learnings of each day as well as the key recommendations. We hope it is interesting and valuable not only for the participating cities, but also for others.

Our final and most special thanks go to all engaged participants from municipalities who contributed to the event and made it so successful. We wish you all in your further local climate activities a good deal of persistence and enthusiasm.

As sector network and working group speakers, we hope the learning, networking and exchange opportunity, together with these two products are useful for you, as a compilation of some interesting insights and valuable lessons but also an inspiration for other projects/cities in Asia and beyond.

For TUEWAS,



Vaishali Nandan
Working Group Speaker



Patrick Pawletko
Sector Network Speaker



Ishtiuq Hossain
Working Group Speaker



Johannes Fritzen
Sector Network Speaker

For SNGA,

A short overview, including an introduction to the event, the list of collaborators and participants, and the event programme.

1

INTRODUCTION

BACKGROUND

Cities are at the forefront of climate change mitigation and adaptation measures, as well as actions that contribute to the achievement of all global agendas. In many cities, with a rapidly growing population, key basic infrastructure such as transportation, clean water and sanitation, energy systems, housing and social services still need to be established or developed. In addition to the need for proper funding cities also need to design and implement green and sustainable solutions that leapfrog current unsustainable patterns. It is essential to develop **innovative and efficient financing** approaches to build climate resilient and low-carbon cities.

Cities are faced with a **number of challenges regarding financial resources**: from understanding own/internal revenue resources and how to best climate-proof them, to understanding and accessing national/international climate financing, private sector investments and new insurance mechanisms.

Local governments often lack direct access to finance and control over spending, together with a lack of technical and managerial capacities for sustainable municipal financing/climate-proofed investments. Cities often do not have credit ratings and therefore are unable to borrow money directly on the market. Access to municipal finance, against the background of **decreasing municipal revenues due to the current crisis**, will be of paramount importance for the achievement of global sustainability goals (2030 Agenda, Climate Paris Agreement), which strongly depend on cities.

There is a myriad of knowledge and information regarding municipal/climate finances already available, from many long-standing institutions (cities' networks, donors, alliances) working on the topic, such as the Cities Climate Finance Leadership Alliance (CCFLA), the Global Fund for Cities Development (FMDV), the Local Governments for Sustainability (ICLEI), the UN Capital Development Fund (UNCDF), Global Observatory of Local Finance from UCLG, the C40 network, UN Habitat, to name a few.

Several front-runner cities are making good use of **different instruments and financing options** (from own revenue and asset leverage to capital markets to multilateral bonds/credit) and a series of successful case studies is available. GIZ is also strongly supporting cities via different

project preparation facilities. However, it is still difficult to reach many aspiring cities in regard to their own specific financing challenges. Only providing knowledge products is not sufficient, it is important to back-stop the **design and preparation of projects** and provide a holistic advisory support for relevant municipal stakeholders.

GUIDING QUESTIONS

- Unpacking municipal climate financing — understand how to unpack the share of total financing being spent on low carbon and resilient urban projects and estimating the total gap of external financing needs (to reach national goals?)
- Which experiences do cities have in gaining access to external finance for e.g. urban infrastructure projects — either public, international (i.e. GCF, MDBs), private (i.e., institutional investors) or blended?
- National/international climate financing for cities: what are the success factors and barriers for cities? What are enabling conditions at national and local level?



THE VIRTUAL DIALOGUE EVENT

This virtual dialogue event was hosted online from 28–30 September 2021. It made use of new digital/agile collaboration and exchange formats (based e.g. on the well-established connective cities dialogue event methodology). The idea was to bring different representatives from several cities in the region (selected municipal/finance experts from India, Bangladesh, Nepal, Philippines and Indonesia) together with GIZ, Connective Cities and other collaborators and project colleagues to discuss and exchange about municipal/climate financing topics, with innovative formats such as **peer-to-peer advice** and **ideation for project development**.

The main objective of the dialogue event was to facilitate the **exchange of experiences and mutual learning** based on concrete project ideas and good practice examples of municipal actors with different local conditions. The focus was mainly on pragmatic solutions and approaches that can be applied or adapted to different regional contexts. The dialogue event also provided a space for in-depth discussion of current challenges around the topic of climate financing and supported the joint development of innovative projects/solutions for sustainable urban development.

The virtual dialogue event was a highly interactive workshop with municipal actors, including representatives of civil society, academia and business. Municipal practitioners involved in urban planning or municipal financing were able to discuss in detail the projects and ideas implemented or planned in their municipality.

Additional focus was also placed on:

- Identifying good practice examples from the region that can be shared with other cities as well as knowledge products already available to be shared and conveyed to cities;
- Providing peer-to-peer advisory services for selected cities in a conducive and creative workshop environment and with that, supporting ideation and preparing/planning of specific projects/an action plan for implementation; and
- Initiating a practice-oriented learning that includes different exchange and learning formats and seeks to strengthen capacities of urban practitioners (including the introduction and collaboration within the connective city community).



NETWORK OF COLLABORATORS

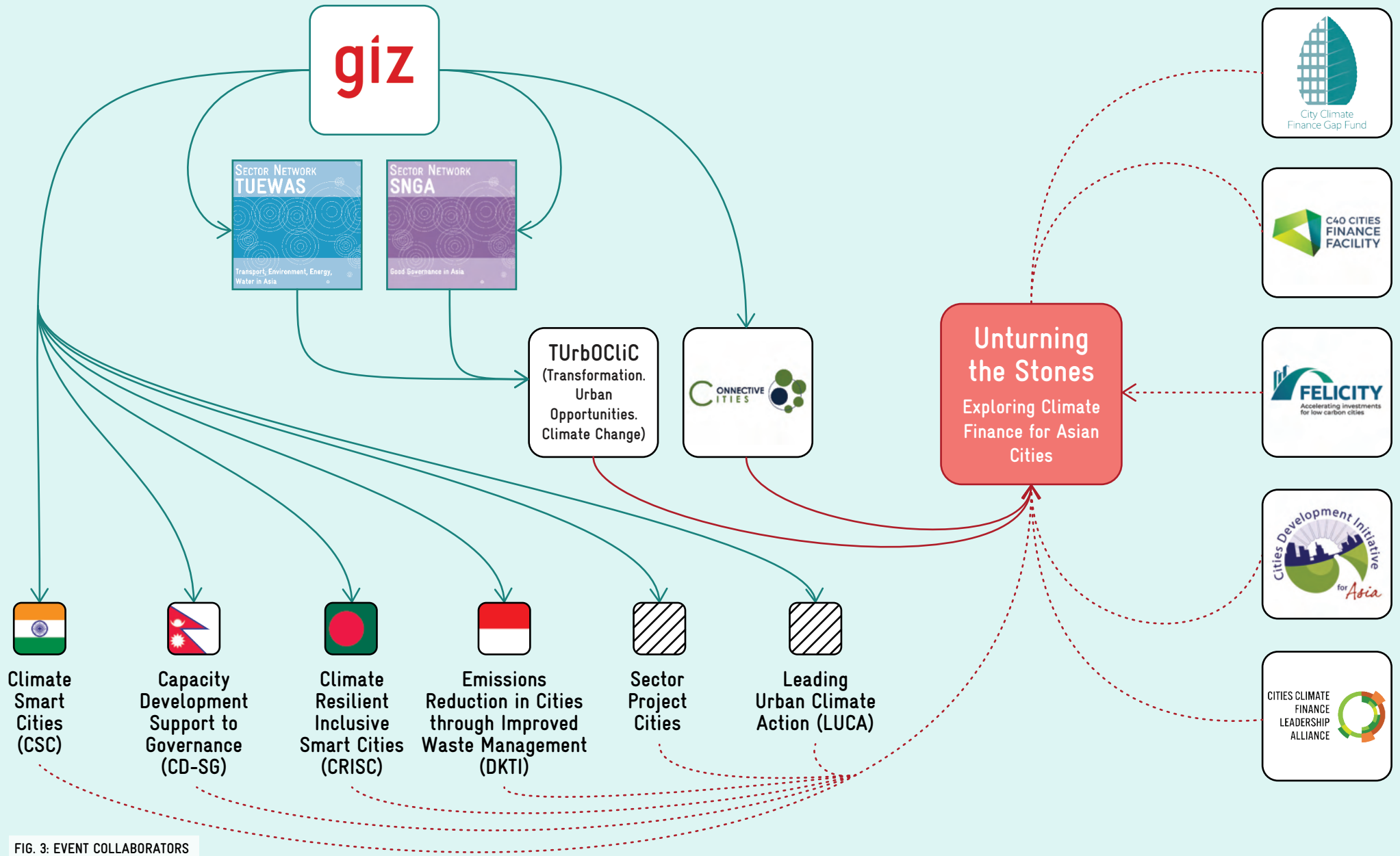


FIG. 3: EVENT COLLABORATORS

MAP OF PARTICIPATION

The following participants took part in the 3-day virtual dialogue event:

INDONESIA

- Head of Regional Planning and Development Agency; Head of Agribusiness and Industry Sub Division; Secretary of the Environment and Forestry Agency (Kendari City)
- Head of Cooperation Division (Jambi City)
- Head of Section – Infrastructure and Territory; Sub-Head Section - Infrastructure Planning; Sub- Head Section - Territory Planning; Sub-Head Section Planning and Communication (Malang City)

NEPAL

- Environment Officer and Divisional Engineer – Dhangadhi Sub-Metropolitan
- Environmental Engineer and IT Officer - Nepalgunj Sub-Metropolitan City Bank

PHILIPPINES

- Environmental Management Specialists and Planning Assistant, EPWMD-Climate Change Team

BANGLADESH

- Chief Planning Officer of Khulna City Corporation

INDIA

- Chief Executive Officer of Coimbatore City Corporation

GIZ WORLDWIDE

- Advisors and experts from different bilateral, sector and global projects



FIG. 4: MAP LOCATING EVENT PARTICIPANTS

THE VIRTUAL DIALOGUE EVENT PROGRAM

TUESDAY, 28 SEPTEMBER 2021 (DAY 1) – TOPICS & CHALLENGES

- **Technical Check-in/Virtual Arrivals**
Laura Jungman - Senior Consultant, Cities Climate Finance Leadership Alliance (CCFLA)/Climate Policy Initiative (CPI)
- **Welcome and Introduction**
- **THEMATIC OPENING/KEYNOTE LECTURE from CCFLA: 'Insights from the 2021 State of Cities Climate Finance Report'**
Presentation by Kristiina Yang - Project Coordinator and
Laura Jungman - Senior Consultant, Cities Climate Finance Leadership Alliance (CCFLA)/Climate Policy Initiative (CPI)
- **INSIGHT PRESENTATION: 'Financial Assessment of Coimbatore, India in line with the Climate Smart Cities Assessment Framework'**
Presentation by Ravikumar Kamuthu, Technical Expert, Climate Smart Cities Project
- **Marketplace/Work in breakout rooms**
Project presentations by cities (good practices and/or challenges) followed by peer-to-peer discussions
- **Insights from the Marketplace and exchange**
- **End of Day 1 and Informal Networking**

WEDNESDAY, 29 SEPTEMBER 2021 (DAY 2) – DIVING DEEPER

- **Virtual Lounge (optional)**
(FELICITY/GIZ), Ingrid Simon (CFE/C40) and Neil Chadder (CDIA)
- **Welcome and Opening of Day 2**
- **PANEL DISCUSSION: 'Project Preparation Facilities – Challenges, Lessons Learnt and Recommendations for Cities'**
Panelists: Vanessa Bauer (Gap Fund/GIZ), Nils Huhn
- **World Café on most relevant topics**
Three rounds of discussions on the chosen topics in breakout rooms
- **Insights from World Café and Closing of Day 2**
- **End of Day 2 and Informal Networking**

THURSDAY, 30 SEPTEMBER 2021 (DAY 3) – PLANNING ACTION

- **Virtual Lounge (optional)**
- **Welcome and Opening of Day 3**
- **Presentation by Connective Cities**
- **Introduction to Planning Action**
- **Planning Action**
Group discussions on projects from chosen cities in breakout rooms
- **Report to Plenary/Insights from Planning Action discussions**
- **Feedback and Closing of Event**

Speaker bios can be found on: https://www.connective-cities.net/fileStorage/Veranstaltungen/Unturning_the_stones/Agenda-VirtualDialogue_ClimateFinance.pdf

2

DAY 1: TOPICS & CHALLENGES

[Day 1 Recording Link](#)

An insight into the activities that took place on Day 1 such as the keynote lecture and insight presentation, followed by the *Marketplace* sessions during which the representatives from the participating cities presented their projects and experiences. At the end of the day, the topics for the *World Café* sessions were selected.

KEYNOTE LECTURE: INSIGHTS FROM THE STATE OF CITIES CLIMATE FINANCE REPORT

The presentation provided an overview of urban climate finance and set out the key findings from the *State of Cities Climate Finance Report*.

Tracking and evaluating urban climate finance helps understand what city finance flows were directed towards — to which geographies and sectors, and through which financial mechanisms finance is being directed. Part 1 of the report provides an insight into the cities' investment needs, shows how much finance flows into urban climate action and helps identify gaps and opportunities in urban climate action. Tracked and estimated data has been used in this report to produce a comprehensive estimate of global urban climate finance for the first time.

In Part 2, the report identifies the enabling conditions for urban climate finance and provides recommendations for mobilizing climate finance for low-carbon, climate resilient urban development. It also explains the terminologies, knowledge and themes commonly used by climate policy and finance practitioners as well as city-level urban planning and municipal finance officials.



KEYNOTE SPEAKERS

KRISTIINA YANG

Project Coordinator (CPI/CCFLA)

LAURA JUNGMAN

Senior Consultant (CPI/CCFLA)



PRESENTATION LINK

[An Overview of the State of Cities Climate Finance](#)

INSIGHT PRESENTATION: FINANCIAL ASSESSMENT OF COIMBATORE, INDIA IN LINE WITH THE CLIMATE SMART CITIES ASSESSMENT FRAMEWORK

The financial assessment presented during this presentation was undertaken as a part of the Climate Smart Cities project in Coimbatore. The objective of this study was to review the Coimbatore City Municipal Corporation (CCMC) budget allocated for climate change projects and linked with the Climate Smart Cities Assessment Framework. For this purpose, the existing policy framework and financial status of the CCMC was studied along with an in-depth analysis the income/expenditure related activities of climate change projects in the city. Based on these explorations, a set of findings and recommendations were put forth.

It was found that 62% of the CCMC's general fund came from its revenue income while the remaining 38% came from capital expenditure. Most of the revenue income was spent on the establishment and operation and maintenance expenditure. Large scale infrastructure projects are mostly financed through government grants and external sources. However, more funds will be required for climate-related infrastructure due to rapid urbanization being observed. Hence, it is recommended that the CCMC propose a separate Climate Budget while also auditing energy usage, promoting green constructions and establishing a Climate City Cell.



INSIGHT SPEAKER

RAVIKUMAR KAMUTHU

Technical Expert, Climate Smart Cities Project

PRESENTATION LINK

[Financial Assessment of CCMC Budget in Line with CSAF](#)

THE MARKETPLACE – PROJECT PRESENTATIONS BY THE CITIES

ONE PERIOD FOR A MILLION GARBAGE PROJECT, KENDARI CITY, INDONESIA



Kendari City faces several environmental and solid waste management related issues. The increase in solid waste volume is disproportionately high for the waste management facilities. This is compounded by a lack of awareness and action of citizens, limited carrying capacity of landfill and inadequate funds for waste management. Out of the total volume of around 280 tons of solid waste generated by the city per day, 10% is unmanaged and unloaded to the landfill. The volume of solid waste loaded to landfill could be increased if solid waste produced by citizens could be managed on-site. Hence the proposed project that takes a participatory Behavioural Change approach among students and communities in Kendari for heightened awareness on waste management. Engaging

the society to manage solid waste is the hallmark of the project, whose long-term goal is to achieve zero-waste management, supporting the efforts of waste reduction at source and promoting mindset change of early age and young generation for them to have awareness and skills in waste management. Policy and regulation, capacity development/awareness campaign and supporting of facilities form the 3 pillars of the project. Relevant stakeholders include schools and communities, NGOs, government agencies, private companies, academia and mass-media.

MALANG, INDONESIA



The second-largest city in East Java, Malang, is fighting the effects of climate change by developing sustainable urban infrastructure. Geographically prone to natural disasters, the city is at risk from storms, flooding and landslides, as well as water scarcity due to its dependency on external water sources. The communities who live on the outskirts and supply most of the produce are impacted by worsening climate conditions that endanger their crop yields. In response, the city government has set out their medium-term development plan for 2018–2023. This vision, called *Malang Nyaman* (Dignified Malang), focuses on climate change adaptation through sustainable infrastructure development. For example, the city is emphasizing more holistic approaches within the waste sector, right from upstream waste management to the

final disposal stages. The city's Supiturang Central Waste Processing Site is being developed as a waste-to-energy plant and educational area for waste management. Additionally, Malang has set up a Waste Bank to support waste reduction. In 2020, it managed 1.5 tons of inorganic waste per day, serving 22,000 customers. Further, the city government is developing sustainable public transportation. It is considering a mass rapid transit system to enable quicker and more comfortable inter-city travel, while also significantly reducing GHG emissions. Another initiative is the development of pedestrian-friendly areas and bike lanes. However, as observed in most cities globally, mobilizing the required resources could be a major hurdle. Thus, strong collaborations with local, national, and international actors are essential to achieve Malang's goals.

THE MARKETPLACE – PROJECT PRESENTATIONS BY THE CITIES

MUNICIPAL SOLID WASTE MANAGEMENT AND CLIMATE CHANGE, DHANGADHI SUB-METROPOLITAN CITY, NEPAL

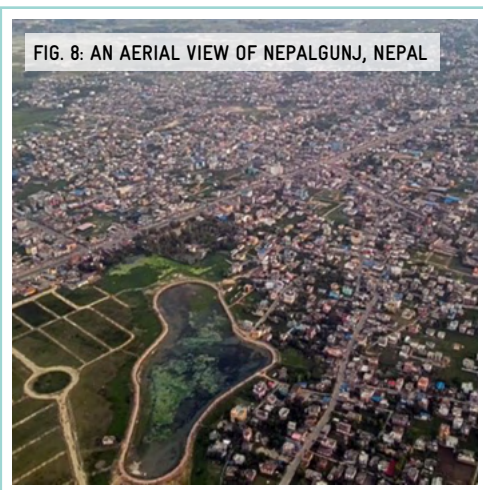


Changing an open dumping river area into a recreational site and the building of a waste bank have collectively been a success story in the area of solid waste management in Dhangadhi — the tenth biggest city in Nepal with 0.2 million population. Out of 19 wards in the city, 8 are in the urban area and the remaining are in rural areas. The project focuses on these 8 wards. Out of the 75 tonnes of waste that is expected to be generated, the Municipality has the capacity to capture a mere 16 ton per day from the urban wards, which is openly dumped near river bank area due to lack of landfill in the city. Ongoing projects in Dhangadhi include the construction of a treatment plant for hospital waste management (Dhangadhi Municipality), a biogas plant with a 30-ton capacity (government of Nepal and private sector) and sanitary landfill site. However, Dhangadhi faces multiple challenges

and requires support in the following areas:

Unlike infrastructure and agriculture management, Solid Waste Management is not a priority area for the municipality. The city is also in need of an intervention on segregated waste at the source to run the biogas plant. Furthermore, citizens consider solid waste management to be the responsibility of the municipality entirely while the implementation of waste management related regulatory acts remains extremely poor. The private sector is not too keen to invest in the recycling industry, as the Municipality is not able to provide them with the required facilities. Additionally, there is no investment in service delivery by the Municipality. With traditional ways of waste management being the norm in the city, it is commonplace for mixed waste to be dumped in an open area without segregation.

NEED OF FAECAL SLUDGE TREATMENT PLANT FOR THE NEPALGUNJ SUB-METROPOLITAN CITY, NEPAL



One of the booming cities in Nepal, Nepalgunj has witnessed a host of environmental challenges this year, ranging from improper management of solid waste, health-care waste and air pollution among others. With rapid urbanization, a major challenge area facing the city is there being a lack of appropriate facilities for the management of Faecal sludge. As a result, groundwater and water resources are prone to pollution, leading to a potential danger of water-borne diseases. There is a demand from the local people for proper management of faecal sludge and the various government acts mandate the municipality with this task. In parallel, the Nepalgunj Sub-Metropolitan City has made its own sanitation Action plan (PPP model) for the management and construction of FSTP. While the stages of captur-

ing, storage and transport stages in the FSM supply chain have been addressed by the city, treatment and by-product disposal/reuse are steps that still need to be addressed. In order to manage the faecal sludge produced within the city, there is a need for the municipality to engage the private sector in the FSTP operation and for awareness on impact of faecal sludge to be raised within the localities. The development of FSTP bylaws forms a major focus-area of the project to manage FSM services. The project also seeks to integrate Behavior-change (among the residents and workers) and FSM as part of city sanitation.

THE MARKETPLACE – PROJECT PRESENTATIONS BY THE CITIES

LAKE RESTORATION IN COIMBATORE, INDIA

FIG. 9: TRANSFORMATION OF THE SELVACHINTHMANI LAKE IN COIMBATORE, INDIA



The second largest city in Tamil Nadu, India, Coimbatore is home to over 2 million citizens. The city is currently undergoing transformation through the Coimbatore Smart City project which includes initiatives relating to eco-restoration of lakes, energy conservation, solid waste management, non-motorized transport (NMT) and smart surveillance. Within the eco-restoration initiative, 8 lakes are being restored. NMT options, and green public spaces for recreation and ground water recharge are also being developed in the vicinity of these lakes. The main aims of this project are to promote ecological diversity; create resilience; and promote tourism and commercial development. Agencies like GIZ, TNAU and SACON as well as local colleges are providing technical support. The project is being financed by the Coimbatore City

Municipal Corporation (CCMC), the Government of Tamil Nadu and the Government of India. More funding is being sought from private organizations through Corporate Social Responsibility (CSR) schemes, advertising, events and commercial activities, and private financing. A key challenge is the lack of sufficient revenue expenditure. To address this issue and to ensure the sustainability of the project, the city is exploring the potential for self-generation of funds and promoting public awareness regarding the project. For this purpose, public buy-in into the project is of utmost importance as citizen engagement creates a sense of ownership and belonging among citizens. Additionally, the input of diverse stakeholders like local banks, grassroot NGOs, private organizations, etc. is being incorporated into the project.

LOCAL BUS RAPID TRANSIT SYSTEM UTILISING ELECTRIC BUSES, QUEZON CITY, PHILIPPINES

FIG. 10: VIEW OF A STREET IN QUEZON CITY, PHILIPPINES



Home to a population of over 3 million citizens, Quezon City is the largest city in Metropolitan Manila in the Philippines. As part of an Enhanced Local Climate Change Action Plan (LCCAP), the city sought practical solutions for the development of a local bus rapid transit system (BRTS). This project is led by the Task Force on Traffic and Transport Management and also involves other local agencies such as the Department of Public Order and Safety, and the Environmental Protection and Waste Management Department. It is being developed in partnership with C40 Cities. The aims of this project are: to develop a reliable, affordable, accessible and well-integrated BRTS and; to promote the widespread use of clean and sustainable public transportation, thus leading to reduced air pollution and green-

house gas (GHG) emissions. The system operates through 8 routes traversing the city. It employs electric buses for public transport — a first in the Philippines — aiming to become emission free by 2025. Bike lanes have also been installed across the city. The project is funded using a combination of city funds and public-private partnerships. The key challenges to be addressed in the development of this project include the lack of charging infrastructure, the need to raise public awareness regarding its benefits to facilitate the improved adoption of this system, and the need for more routes so that all areas in the city can be serviced. This project has highlighted the need for integrated planning to successfully address the development of smart and inclusive mobility while reducing GHG emissions in the city.

CHOOSING THE TOPICS FOR THE WORLD CAFÉ SESSIONS

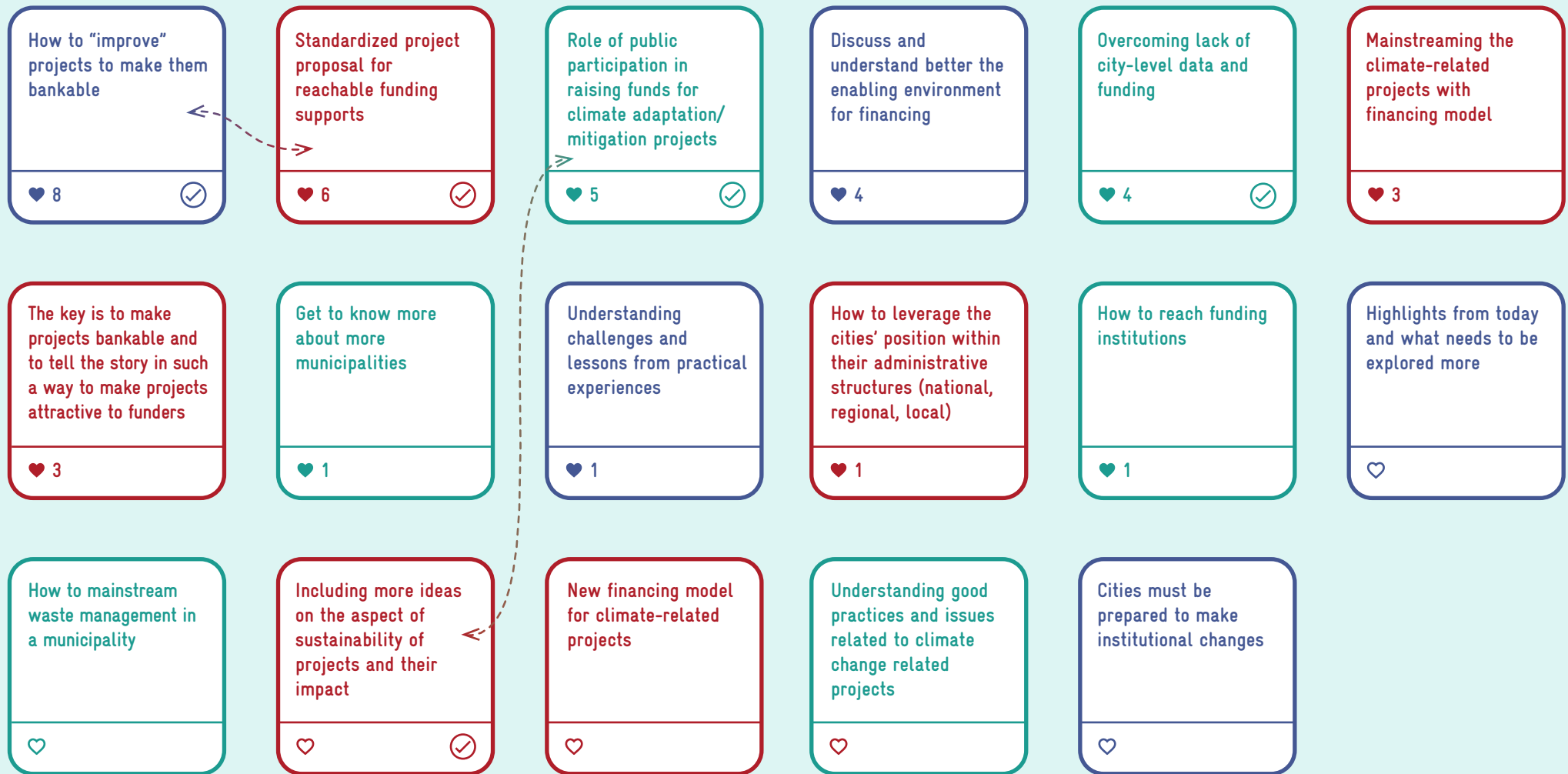


FIG. 11: CHOOSING THE TOPICS FOR THE WORLD CAFÉ BASED ON THE FEEDBACK FROM THE PARTICIPANTS

3

DAY 2: DIVING DEEPER

[Day 2 Recording Link](#)

On Day 2, experts from organizations like the Gap Fund, FELICITY, C40 CFF and the CDIA provided their insights into the challenges associated with the process of acquiring funds for climate-related projects as well as recommendations on how to tackle them. This was followed by a fruitful panel discussion and the *World Café* sessions. During the *World Café* sessions, the participants were divided into three groups which discussed the chosen topics by moving between the different breakout sessions. At the end of the day, the participants' reflected on the day's events.

CITY CLIMATE FINANCE GAP FUND

The activities of the Gap Fund include providing technical assistance and expertise to urban infrastructure planning during the early stages of project development (upstream levels), by identifying any gaps and opportunities in the project proposals and also matching projects with other similar facilities and financiers.

Projects supported by the Gap Fund are required to be climate related and have an urban dimension to them. The support provided by the Gap Fund is short term, usually lasting for about 6–9 months.

The implementing partners include the World Bank, the European Investment Bank (EIB) and GIZ while the governments of Germany (BMZ and BMU) and Luxembourg act as donors. Additionally, the Gap Fund also works with other partners like city networks and international platforms such as GCoM and CCFLA etc.



PANELIST

VANESSA BAUER

Project Manager, GIZ Bonn

PRESENTATION LINK

[City Climate Finance Gap Fund](#)

FINANCING ENERGY FOR LOW-CARBON INVESTMENT – CITIES ADVISORY FACILITY (FELICITY)

FELICITY, a global project initiative working on climate protection, is implemented by GIZ and EIB on behalf of the German Federal Ministry for the Environment. This project preparation facility takes an integrated approach, providing technical expertise on project preparation and capacity development (through GIZ) and long-term financial assistance and funding (through EIB). They support cities and other project promoters to access financing.

The objectives of FELICITY are: (i) Demand-oriented support to identify and prepare bankable low-carbon infrastructure projects; (ii) Capacity development within municipalities; (iii) Policy advice on framework conditions for international climate financing; and (iv) Knowledge management and development of relevant instruments and methodologies conducive regulatory environments.

At present, FELICITY is engaged in 10 projects across Latin America (Brazil, Mexico and Ecuador) and South-East Asia (Indonesia). These projects are climate mitigation initiatives.



PANELIST

NILS HUHN

Programme Manager, GIZ Bonn

PRESENTATION LINK

[Financing Energy for Low-Carbon Investment – Cities Advisory Facility \(FELICITY\)](#)

C40 CITIES FINANCE FACILITY (CFF)

The C40 Cities Climate Facility is a project preparation facility that aims to bridge the gap between cities and finance. It is jointly implemented by GIZ and C40 Cities. Within this partnership, the project provides technical assistance, sectoral expertise, capacity development, knowledge and learning as well as replication and upscaling. Cities benefit from the wider enabling work in the policy environment.

The CFF supports cities in developing their climate-related projects, solely at the municipal level, irrespective of sectors. They are engaged in projects that span Latin America, Asia and Africa. Their engagement with cities generally commences at the feasibility stage in the project timeline, typically after the initial phases of development are completed, though this is determined on a case-to-case basis.

Both climate mitigation and adaptation efforts are supported by the CFF.

CITIES DEVELOPMENT INITIATIVE FOR ASIA (CDIA)

The CDIA is a trust fund managed by the Asian Development Bank (ADB). They support secondary cities in Asia and the Pacific to develop project preparation studies and translate their development aspirations into tangible infrastructure projects. The four pillars of the work done by the CDIA are: reducing poverty, fighting climate change, improving the environment and promoting good governance. The CDIA is funded by the governments of Austria, France, Germany and Switzerland as well as the European Union. They act as intermediaries between cities and financing agencies and connect them to each other. They provide technical assistance and consultancy, helping to develop and ready projects so that financing agencies can take them forward. In parallel, they also create institutional and capacity development roadmaps and help in monitoring the work carried out. Over 120 cities in 21 countries have benefitted from the work of the CDIA since 2007, conducting 111 project preparation studies by leveraging 11.4 billion dollars of investment. Their key objective is to prepare bankable projects and ensure that cities can implement, operate and maintain their projects.



PANELIST

INGRID SIMON

Programme Director, C40 CFF

PRESENTATION LINK

[C40 Cities Finance Facility](#)



PANELIST

NEIL CHADDER

Program Manager, CDIA

PRESENTATION LINK

[Cities Development Initiative for Asia \(CDIA\)](#)

PROJECT PREPARATION FACILITIES – CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS FOR CITIES – PANEL DISCUSSION

Following the presentations by experts from the project preparation facilities, the floor was opened to questions. The conversations are summarized below. The speakers are denoted as follows: Vanessa Bauer – VB; Nils Hunh – NH; Ingrid Simon – IS; Neil Chadder – NC; and Fatina Toukan – FT.

Q: FELICITY is currently engaged in projects in 3 countries in Latin America and a country in South-East Asia. What is the reason for this combination of projects?

NH: The facility had been set-up this way from the beginning due to the requirements of the commissioning agency, the BMU. It is also to be noted that all of the four countries are emerging nations with huge economies and a lot of work to be done. Furthermore, FELICITY is different from the other project preparation facilities in the panel as its work is concentrated only in the chosen countries.

Q: Would it be possible for FELICITY to extend its portfolio to accept applications from countries other than those they were currently working with?

NH: The current FELICITY is almost at the end of its process of providing support to projects, so it might be difficult to take on new projects, unless an extension is provided to the facility. However, a new regional FELICITY is being planned for countries in Central Asia and Eastern Europe — this facility is currently at the starting point and projects are yet to be selected. It would be possible to direct any of the interested projects to those working in this new FELICITY.

Q: How to prepare bankable projects, especially in the case of smaller municipalities?

NC: The main objective of the CDIA is to help make projects bankable. In November, the CDIA is conducting a Virtual Clinic to discuss and improve the bankability of projects in Nepal.

To attract funding, it is important to tell a story so that any downstream funder can buy into the project. It is important to mention where the project is currently situated within the process of its development, provide details and explain where it is headed. Further, it is important to consider how it might appeal to the funder. Even within the same funding organization, individual project officers have different interests. Thus, it is important to target the right mainstream funder based on their areas of focus.

NH: It is also important for cities to take ownership and have clarity about their projects as well as the local and national rules and regulations. The necessary steps and allies to the project must be identified. Cities must also understand this process takes time and hence requires patience.

Q: Is the project preparation study that the CDIA provides assistance with similar to the preliminary assessment? Who carries out the study?

NC: The level of involvement from the CDIA depends on the circumstances — where is the city now and where do financial institutions want to pick it up — the CDIA seeks to fill in the gap between these two points. The activities performed are variable and may include pre-feasibility or feasibility studies, simple detailed design, etc. The CDIA works with cities to identify the scope of the project, prepares the Terms of Reference, procures and sends consultants to work in the cities, and review the output produced by the consultants. These activities are carried out on a grant basis, though cities are asked to contribute 10% in the form of in-kind contributions.



PROJECT PREPARATION FACILITIES – CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS FOR CITIES – PANEL DISCUSSION

Q: What kind of technical assistance do you provide to cities?

VB: Methodologically, the Gap Fund works in a manner very similar to the CDIA. However, the Gap Fund usually focuses only on the initial stages of the project cycle, i.e., (i) strategy development, and capacity to prioritize projects and understand what would be a good portfolio; (ii) how to take project ideas forward, preliminary studies, help cities understand the strengths of the project, and match projects with facilities like the CFF for further project preparation.

IS: The CFF provides services that are tailored to fill the gap between where the city is now and how to arrive at financing. Besides deep technical assistance, the CFF also focuses on helping cities take the support they have received forward, both with the project at hand and any future projects. In improving the finance-readiness of projects, an important point is often underestimated — developing the project proposal and storytelling around the co-benefits that the project delivers. This helps build the case towards finance-readiness as financing institutions and granters behind project preparation facilities are increasingly focused on this front.

Q: What are the enabling conditions that are needed for cities? How can they be improved by national governments and other agencies like GIZ?

NH: Infrastructure development requires strong and enthusiastic governance. GIZ is well-positioned to provide support in this regard as they have long-term relationships in countries and overarching expertise in decentralization and local governance.

The cities and countries know their situations the best so it is important to be honest and communicate well, to take the time to understand what is required for a project and how this inter-relates to superior levels of governance in countries. Knowing your mandates and resources is crucial. Political challenges must also be looked into.

FT: Connective Cities have several useful tools that municipalities could explore. One of the key mandates of Connective Cities is to connect municipalities with important stakeholders. Municipalities are well aware of their own situations. In engaging with other municipalities facing similar challenges through Connective Cities, they can identify commonalities and solutions.

Q: If you could make cities change one thing, to improve their situation, what would that be?

NC: Institutional change and capacity development is crucial to the success of projects — projects cannot be successful if cities are unwilling to change how they do things today.

IS: If a project is to be pushed through, it must be ensured that the project is carried broadly within the city across all partners and is embedded in strategic plans at all levels, beside and beyond just vertically and horizontally. In other words, mainstream, mainstream, mainstream!

NH: Having the necessary internal structure with an active, engaged and interested institutional setup in the city as well as project implementation unit is crucial. Additionally, it is important to align the stronger infrastructure and climate finance debate with the long-term, especially in new urban developments.

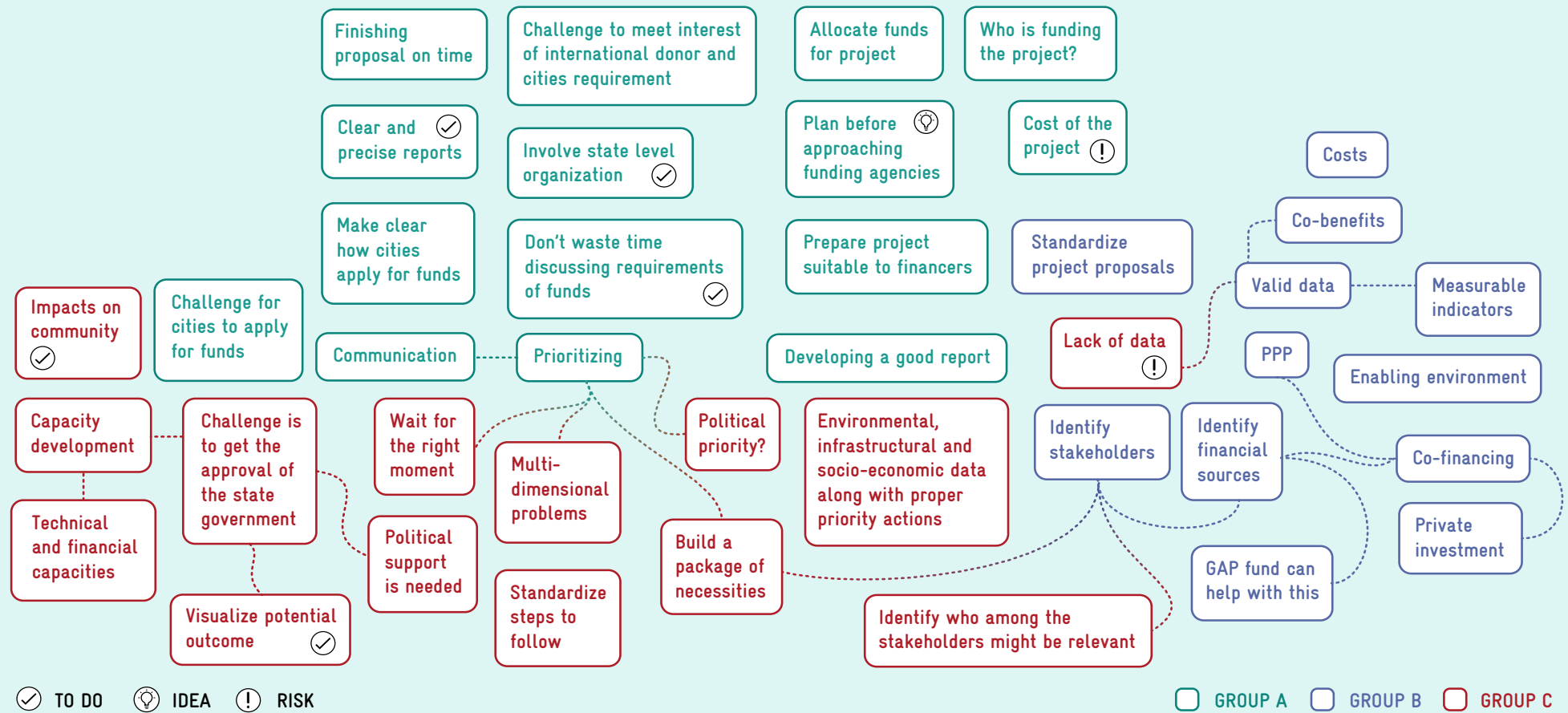
VB: It is necessary to communicate, think beyond the silos, integrate across departments and seek help with projects.

WORLD CAFÉ – WORKING TOWARDS A BANKABLE PROJECT PROPOSAL

Building funding applications is a key step in the realization of any project. This process requires considerable planning and information such as the cost of the project, list of stakeholders (including funding sources), wide-ranging data along with a list of priority actions

and expected outcomes must be detailed. A good funding application needs to show that the proposed project is bankable. i.e., it must be attractive to potential financiers like international donors and city governments.

FIG. 13: MAPPING THE WORLD CAFÉ SESSION – WORKING TOWARDS A BANKABLE PROJECT PROPOSAL

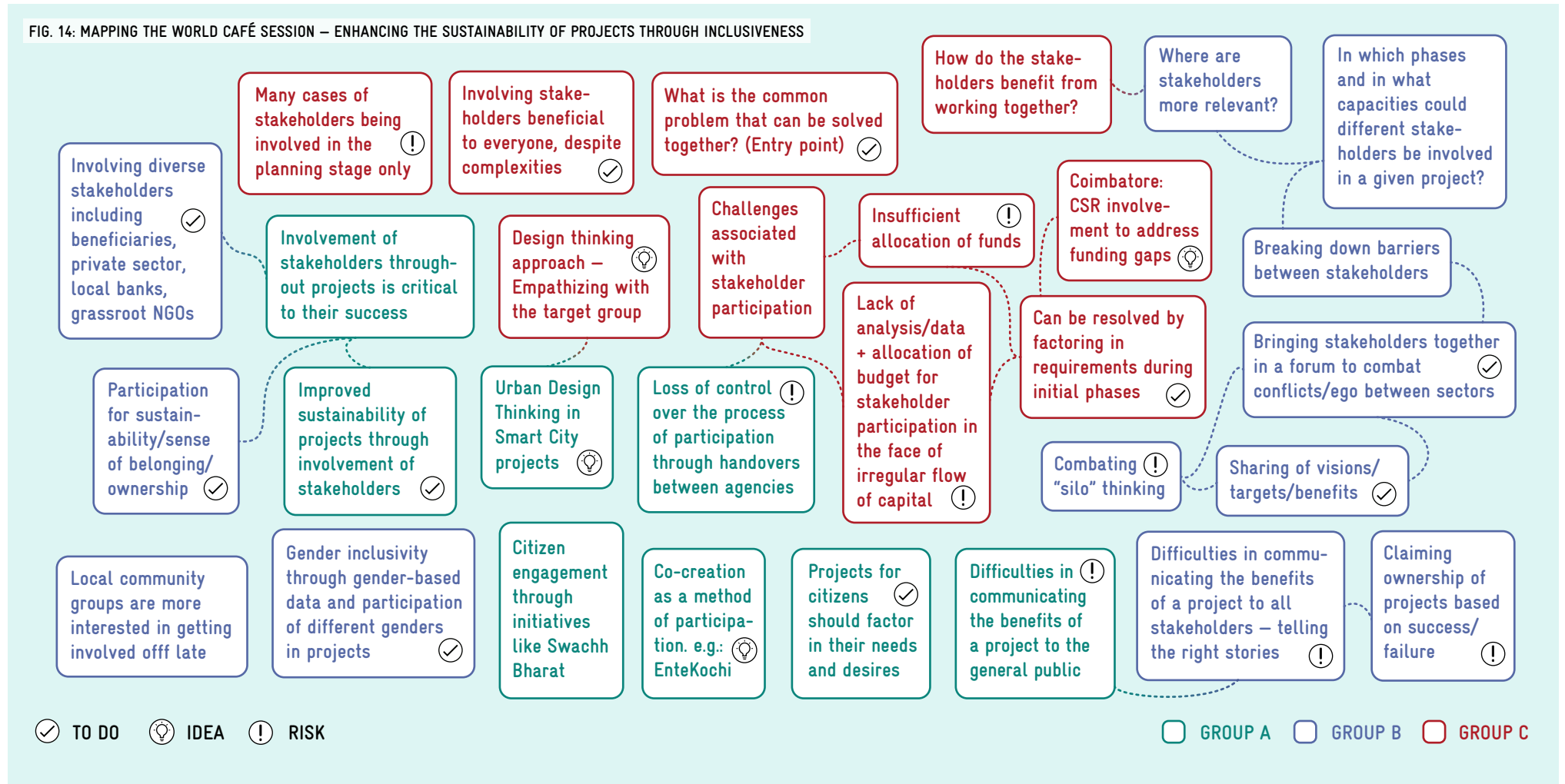


WORLD CAFÉ – ENHANCING THE SUSTAINABILITY OF PROJECTS THROUGH INCLUSIVENESS OF STAKEHOLDERS

During the discussion, it was agreed that the consistent participation of stakeholders throughout projects was hugely beneficial and enhanced their sustainability. However, in most projects, the process of participation is not often considered as essential and planned for in advance. Other roadblocks to this

process include a lack of data and sufficient funding, ego between sectors, and the cumbersome nature of participation during handover between agencies. To address these issues the use of design thinking activities and bringing stakeholders together for discussions were considered.

FIG. 14: MAPPING THE WORLD CAFÉ SESSION – ENHANCING THE SUSTAINABILITY OF PROJECTS THROUGH INCLUSIVENESS

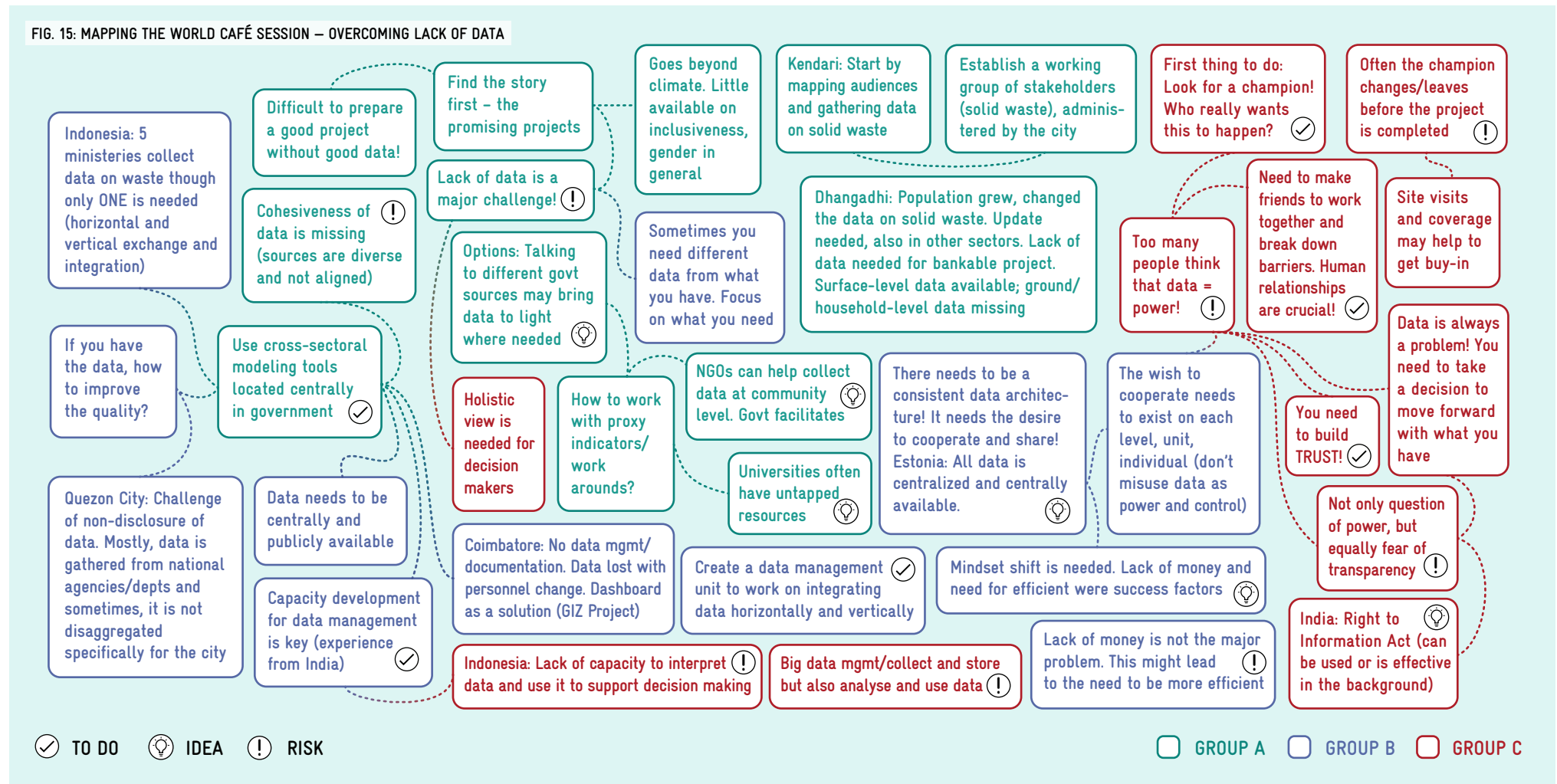


WORLD CAFÉ – DEVELOPING A COHESIVE PROJECT IDEA, OVERCOMING THE LACK OF DATA

Accurate and useful data is of great significance in any project and overcoming the lack of sufficient, good quality data is a major challenge. Unfortunately, proper documentation and data management is not commonly observed, thus impacting the stakeholders' ability to holistically understand and ad-

dress the problem at hand. To address these challenges, it was suggested that decision makers acquire data from alternative sources such as NGOs and universities while also interacting with different government sources and using cross-sectoral modeling tools located centrally in government.

FIG. 15: MAPPING THE WORLD CAFÉ SESSION – OVERCOMING LACK OF DATA



REFLECTIONS

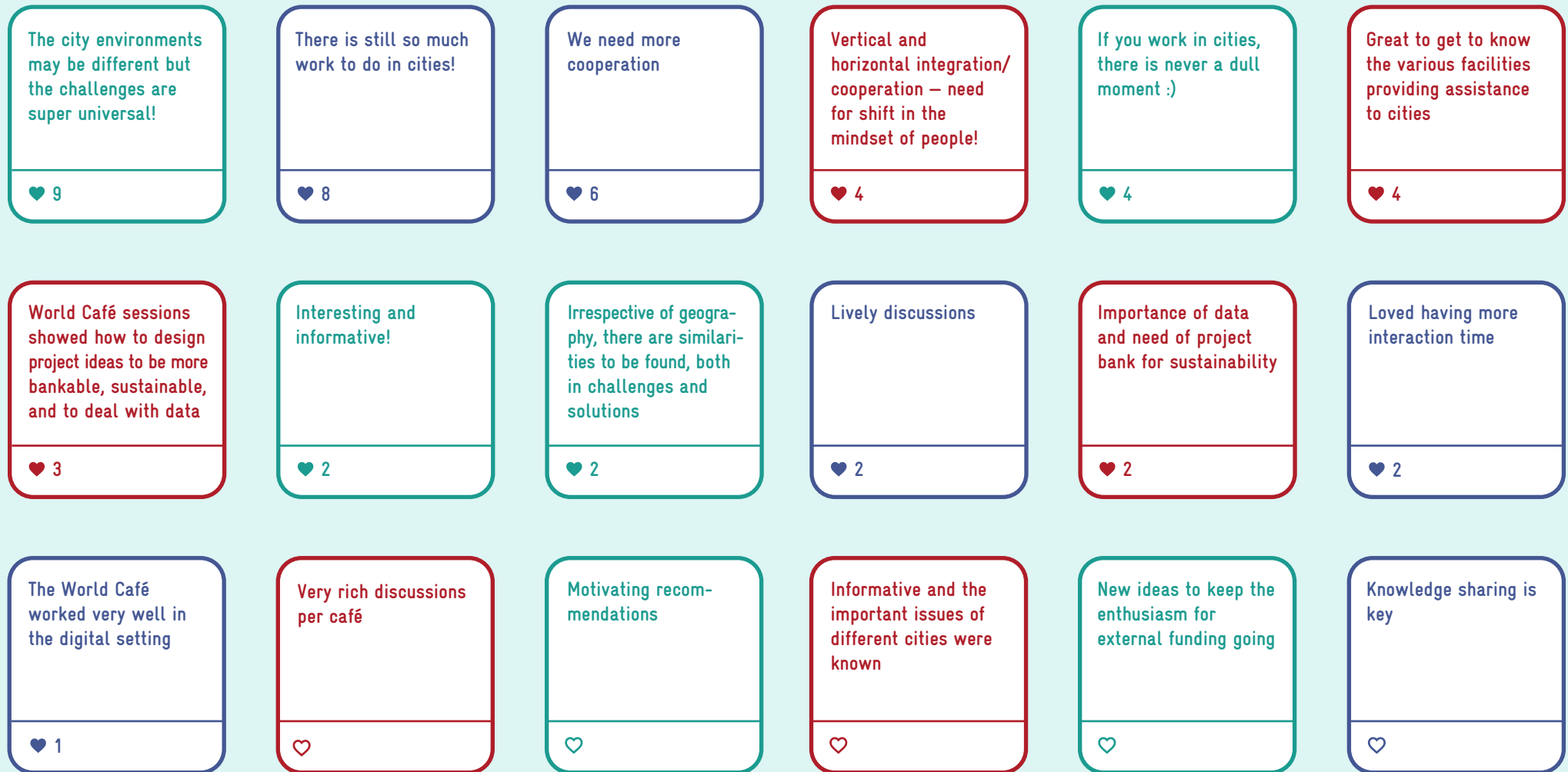


FIG. 16: REFLECTING ON THE DISCUSSIONS FROM DAY 2

4

DAY 3: PLANNING ACTION

[Day 3 Recording Link](#)

Day 3 witnessed a short presentation by Connective Cities followed by the *Planning Action* sessions.

During these sessions, the two groups each addressed one topic in depth — the Loss of Green Urban Spaces (Coimbatore, India) and Challenges associated with Solid Waste Management (Kendari, Indonesia and Dhangadhi, Nepal).

COMBATING THE LOSS OF URBAN GREEN COVER IN COIMBATORE, INDIA

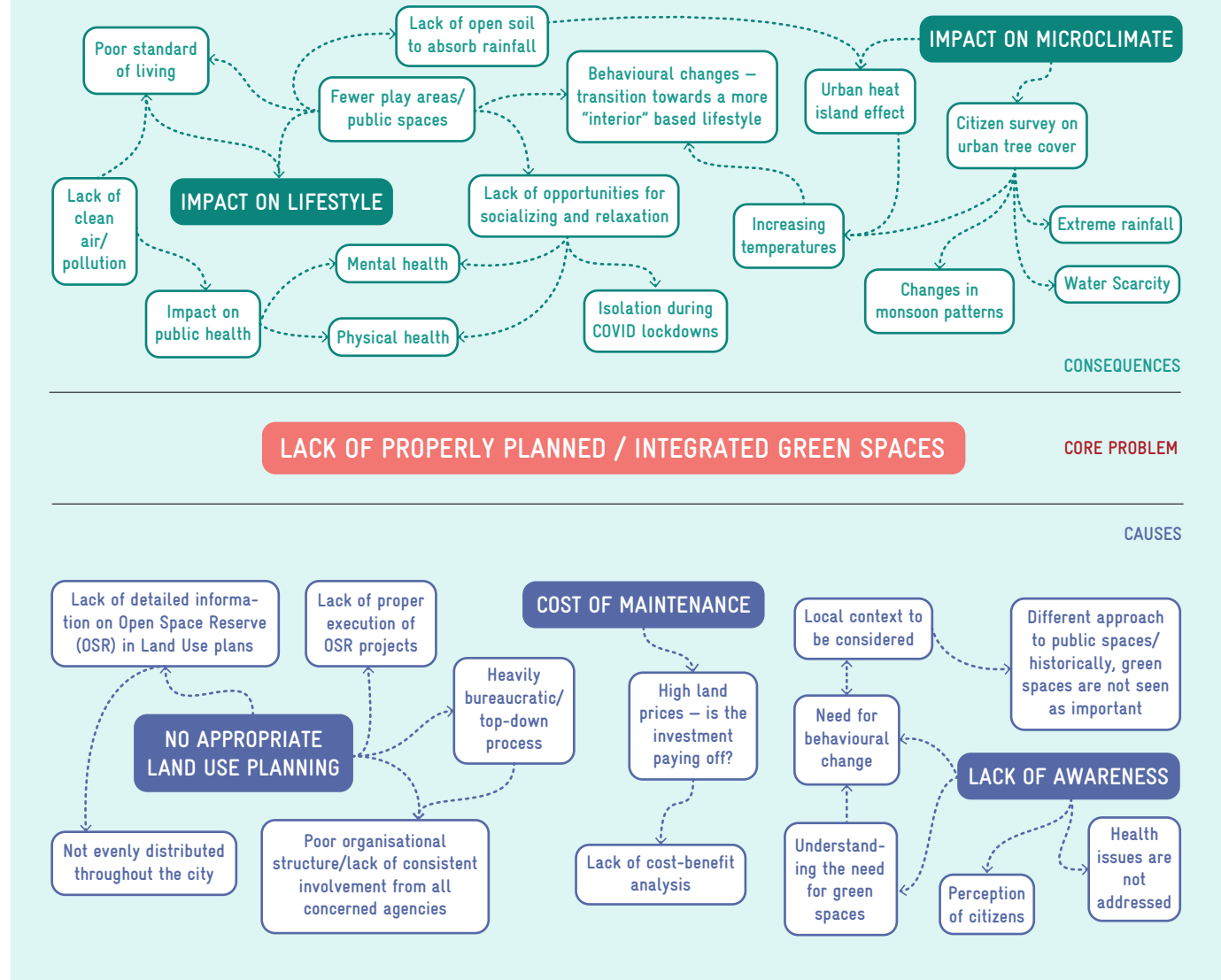
A wide range of factors have caused the deterioration and eventual loss of green spaces in the city of Coimbatore, located in the southern state of Tamil Nadu in India.

Facing growing population and the resulting rapid urbanization, Coimbatore suffers from issues commonly seen in many Indian cities — inconsistent and poorly planned land use planning practices, inadequate implementation of projects, lack of sufficient financial resources, bureaucracy and a general lack of awareness regarding the need for green spaces as essential elements within the city.

Such problems have caused a significant impact on the lifestyle of citizens, relegating them to interior spaces and creating negative effects on their mental and physical health. Furthermore, the loss of green spaces has also caused a shift in the microclimate, thereby contributing to increasing temperatures and unreliable rainfall patterns.

A detailed look at the root causes that impact green spaces in Coimbatore and the effects they cause are presented in Figure 17.

FIG. 17: MAPPING THE ROOT CAUSES CATALYSING THE LOSS OF URBAN GREEN COVER IN COIMBATORE, INDIA AND THEIR IMPACTS



COMBATING THE LOSS OF URBAN GREEN COVER IN COIMBATORE, INDIA

Following a map of the issues impacting urban green cover in Coimbatore, the following figures provide an overview of the steps to be taken to address the existing problems and also identifies a list of stakeholders who would be involved in this process. These steps have been identified within the scope of a project being developed in the city by the Coimbatore City Municipal Corporation

(CCMC) in collaboration with GIZ. While proposals and policy recommendations have already been put forth, the CCMC is currently working on identifying partners for implementation, maintenance and support beyond the scope of their engagement with GIZ. The figures below have been produced by participants from Coimbatore and Quezon City as well as experts from GIZ.

FIG. 18: COMBATING THE LOSS OF URBAN GREEN COVER – MAPPING THE STAKEHOLDERS

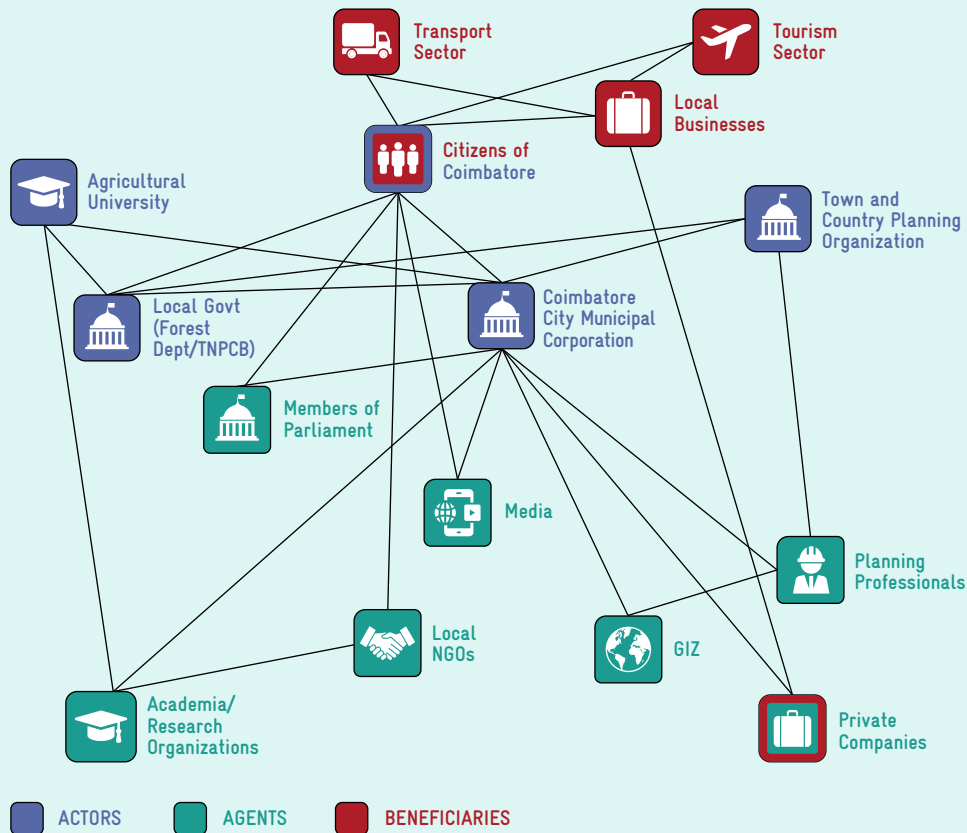


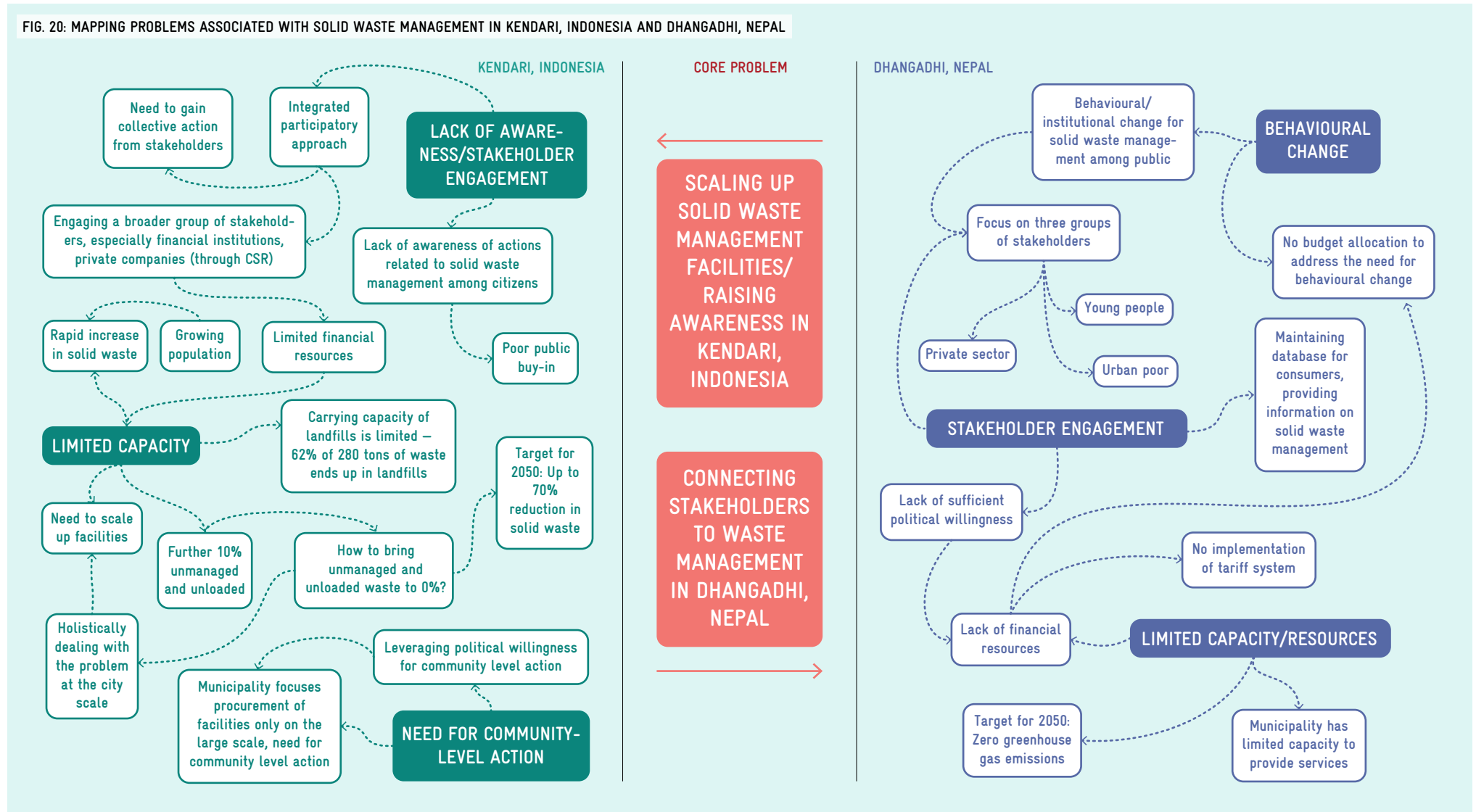
FIG. 19: FURTHER STEPS TO BE TAKEN IN COIMBATORE

ACTIVITIES/IDEAS/STEPS	BY WHEN	PARTNERS
Planning and development of urban green spaces	November 2022	CCMC with GIZ and other partners
Development of proposals and policy recommendations	Completed	CCMC in cooperation with GIZ
Curating a list of partners for execution of proposed projects	Ongoing	CCMC
Acquiring guidance on building funding applications	End of 2021	Connective Cities and other agencies
Signing a Memorandum of Understand for the development and maintenance of green spaces	Following identification of partners	CCMC with identified partners (corporate firms/resident groups)
Raising awareness on the project and its importance among the general public	Following identification of partners	CCMC with identified partners (corporate firms/resident groups)

TACKLING SOLID WASTE MANAGEMENT IN KENDARI, INDONESIA & DHANGADHI, NEPAL

While discussing the projects in Kendari and Dhangadi, a wide range of problems plaguing solid waste management were identified (shown below).

FIG. 20: MAPPING PROBLEMS ASSOCIATED WITH SOLID WASTE MANAGEMENT IN KENDARI, INDONESIA AND DHANGADHI, NEPAL



TACKLING SOLID WASTE MANAGEMENT IN KENDARI, INDONESIA & DHANGADHI, NEPAL

As the projects being discussed were already fairly developed, the participants decided to take a step back and look at the bigger picture, to broaden the scope of the projects and explore more possibilities — this was done to improve the bankability of the projects and make them more attractive to international funding agencies. Ideas to holistically address the problem of solid

waste management at a larger scale were discussed. Based on the discussions, potential collaborators (such as CDIA, the Gap Fund, Connective Cities and GIZ) and opportunities for further interactions on building more ambitious projects and funding applications were identified for both the cities.

FIG. 21: SOLID WASTE MANAGEMENT IN KENDARI AND DHANGADHI – THE BIG PICTURE

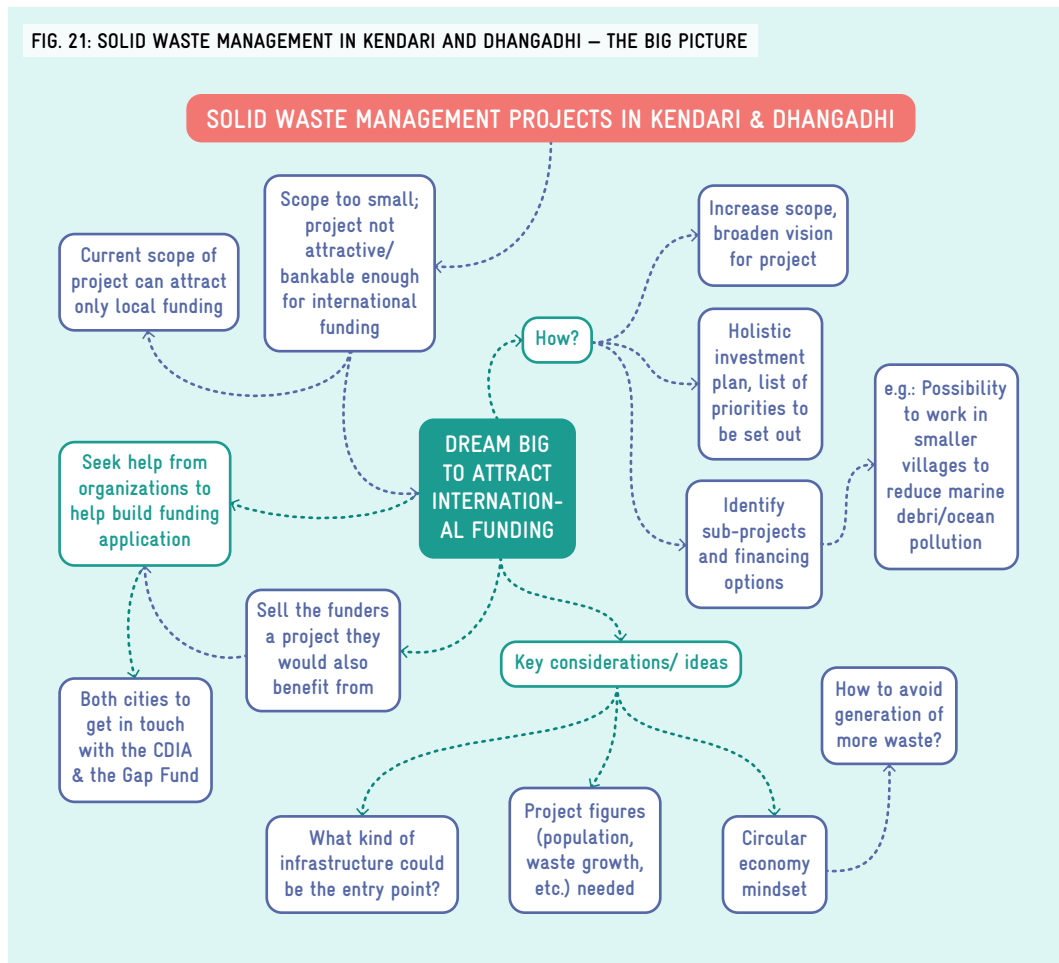


FIG. 22: FURTHER STEPS TO BE TAKEN FOR KENDARI AND DHANGADHI

ACTIVITIES/ IDEAS/ STEPS	BY WHEN	PARTNERS
Cities in Nepal can participate in the CDIA Virtual Clinic (CDIA will follow up)	Early October 2021	Participants from Nepal and CDIA
For Dhangadhi, continue the conversation with cities in Nepal and also with the GIZ project	October/November 2021	Participants from Nepal and GIZ
Kendari to stay in touch with GIZ project in Indonesia, try to connect with national government as well	October/November 2021	Participants from Indonesia and GIZ colleagues
Cities in Indonesia can still benefit from the CDIA Virtual Clinic	Early October 2021	CDIA
Support both cities by finding an organization that can help them in preparing a holistic, bankable project	End of 2021	Connective Cities/ GIZ/CDIA/Gap Fund
Support both cities through enabling institutions to develop more ambitious projects that are attractive to international financiers	End of 2021	Connective Cities/ GIZ/CDIA/Gap Fund

5

EVENT OUTCOMES & FEEDBACK

An overview of the outputs and conclusions drawn at the end of the event is provided. At the end of Day 3, the participants also reflected on the overall event and provided their feedback.

CONCLUDING THOUGHTS

This three-day-long virtual dialogue event on financing for climate-related projects provided many opportunities for a fruitful exchange between the participating cities and with experts, allowing for both the exchange of industry-based knowledge as well as peer-based learning. As a common thread, the following points were consistently stressed throughout the course of the sessions:

- Project proposals must convey a compelling story that details their current situation, their developmental needs and their goals;
- The need to improve the “bankability” of projects by addressing the financing needs and interests of funding organizations;
- Through the inclusion of all stakeholders throughout the planning, execution and maintenance of projects, their sustainability can be enhanced. In some cases, it is necessary to bring all the stakeholders together in a common forum to promote interaction and flow of information;
- Detailed data is required at all levels to achieve an appropriate solution. When this data is not available from government sources, alternative sources must be approached; and
- Both behavioural change among the general public and institutional change within governance are crucial to the success of projects.

GOING FORWARD

Different needs for support with regard to climate finance were expressed throughout the dialogue event by the participating cities. Following the exchange, the possibility for further engagement to better define the projects or receive more expert advice was put forth by Connective Cities, with most participants agreeing to take part. A follow-up session would build on the discussions from this event and moving forward with tangible results that the municipalities could use for implementation. It is recognised that the different cities are at different stages of development with their projects and hence there may be a need for customization or more detailed sessions for individual municipalities, though this was to be considered in collaboration with the network of experts after the dialogue event. Additionally, all the cities were invited to join the Connective Cities network to continue the exchange on the platform. Further updates will be shared on the Connective Cities platform as well as the TURbOCliC webpage.

FIG. 23: A DUMP SITE IN INDONESIA



FEEDBACK – HOW WAS THE WORKSHOP FOR YOU IN TERMS OF...

... relevance of the topic?

Financing for cities is so important, there is really a lot to do, and dream big is the way to go about it, if we want to really survive the century :)

♥ 3

Quite interesting for sharing the issues of different cities related to climate change.

Since financing or large scale investment plays an important role for control of climate hazards.

Developing a bigger scale and attractive package of ideas is important to think about. The topics of panelists and breakout rooms during three days were really useful.

Climate finance is a significant topic nowadays, and cities need to focus on this and it's very useful session all three days.

... the group?

Online setting is a bit challenging, but I feel us as a group now, and would really love to keep the conversation going.

♥ 2

Through virtual we were unable to connect with the participants i.e. face to face interaction and sharing.

Really good conversation with all but a bit internet and miscellaneous issues makes virtual setting a bit problem.

... yourself?

I am taking many follow up ideas.

I liked hearing more about the different cities and their challenges.

♥ 1

Learned so much from the practices and experiences of other cities.

Learned so much from the experiences and practices of other cities that can somehow be replicated to my own city.

♥ 1

I am so grateful for a networking/ connection has been made through this workshop.

I was so happy participating virtually due to COVID-19 situation and sharing the good practices with the representatives of cities.

Learnt a lot with all participants, breakouts etc and also happy for getting a platform for discussing problems and solution.

... structure and methodology?

Excellent group work and enthusiasm.

Well structured sessions, and excellent methodologies in facilitating sharing and brainstorming options. The problem is about the limited time.

♥ 4

Having one break out session per city would be more helpful perhaps, even if sector is the same.

♥ 1

Missing the field visit. Overall good content in the program.

... anything else that mattered?

Building strong relationship with relevant stakeholders is really an important factor.

♥ 2

It was a great learning experience for me such as how to make a project bankable, networking with key stakeholders and so on.

Role of stakeholders and importance of data management.

Great experience. Hope for face to face program in near future.

FIG. 24: EVENT FEEDBACK PROVIDED BY THE PARTICIPANTS

A SNAPSHOT FROM THE EVENT

FIG. 25: PHOTOGRAPHS OF ALL PARTICIPANTS TAKEN DURING THE EVENT



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