



CITIES CLIMATE  
FINANCE  
LEADERSHIP  
ALLIANCE



# Cities Climate Finance Leadership Alliance

Highlights and Impact, 2019 - 2021

An aerial photograph of a city skyline, likely Chicago, featuring a prominent skyscraper (the Willis Tower) and a bridge over a river. The image is overlaid with a semi-transparent blue filter.

**The Cities Climate  
Finance Leadership  
Alliance is a coalition  
of leaders committed  
to scaling finance for  
city-level climate  
action by 2030.**

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# Foreword

Since **the Cities Climate Finance Leadership Alliance, also known as the Alliance, has been renewed in 2019 under a new Secretariat hosted by the Climate Policy Initiative (CPI)**, the climate crisis and its impacts on urban areas and their residents have become ever more evident. Estimates suggest that by 2050, 570 low-lying coastal cities and around 800 million urban dwellers will be severely affected by rising sea levels of at least 0.5 meters. 1.6 billion urban residents will suffer from heatwaves including extreme temperatures above 35°C. Projections of around seven billion people living in urban areas by 2050 – around two thirds of the projected world population – clearly show that cities and their residents must be at the forefront of tackling the climate emergency. On the other end, greenhouse gas emissions in cities, accounting for 70% of global CO<sub>2</sub> emissions from energy use, can be reduced by almost 90% by 2050 with technically feasible, widely available measures, potentially supporting 87 million jobs in 2030 and generating a global economic dividend of USD 24 trillion.

**We are therefore convinced that strong multi-stakeholder partnerships are crucial to combat the climate crisis. The Federal Republic of Germany is thus very proud to support the Alliance** that has committed itself to mobilizing finance for city level climate action at scale by 2030. With its clear focus on advocacy, knowledge sharing, cooperation, and joint action, the Alliance fills a unique niche in the urban climate finance sphere and brings together all relevant stakeholders in order to leverage synergies and amplify ambition.

**Much has been achieved in the past two years.** The “2019-2021 Alliance Highlights and Impact Report” marks the two-year anniversary of the renewed launch of the Alliance. It provides an overview of core activities over the last two years, key areas that members are engaging in, and identifies trends and gaps in climate finance for cities. The results show a great success – more members have joined the Alliance, more strategic and deeper engagement has been facilitated, and central knowledge products like the “State of Cities Climate Finance Report 2021” have been published. Furthermore, the Alliance took over the hosting of the Leadership for Urban Climate Investment (LUCI) initiative – an ambitious framework for catalyzing climate action along the entire value chain of subnational climate finance – launched at the UN Climate Action Summit 2019.

**But let's also be honest: current investment levels in urban infrastructure and services fall far short of estimated needs. More needs to be done to realize climate-friendly urban investment opportunities.** By strengthening its knowledge and advocacy work, focusing on regionalization and improving impact measurement, the Alliance moves in the right direction to advance urban climate finance in the years ahead so that cities will become even stronger transformative agents of combatting climate change.



**Dr. Karsten Sach**

Director-General for  
*International and European  
Policy, Climate Policy* at the  
German Federal Ministry for  
the Environment, Nature  
Conservation and Nuclear  
Safety (BMU)



**Dr. Jürgen Zattler**

Director-General for  
*International development  
policy; 2030 Agenda;  
Climate* at the German  
Federal Ministry for  
Economic Cooperation and  
Development (BMZ)

**FUNDERS**



Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety



Federal Ministry  
for Economic Cooperation  
and Development

**SECRETARIAT**



CLIMATE  
POLICY  
INITIATIVE

# 01. Scaling Finance for City-level Climate Action

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The continued need for the Alliance

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## Cities are critical to climate action and are ready to act, but need to unlock finance to do so.

Approximately 75% of global CO2 emissions originate from urban areas, a staggering figure that is set to increase as the world continues rapidly urbanizing. **Urban areas need to transition** to low-emissions, climate-resilient infrastructure and finance is the key to this major shift.

**Cities are ready to act**, as evidenced by the over 6000 cities<sup>1</sup> having already developed climate action plans, representing 20% of urban residents globally. Importantly, there is also a pressing call to make cities not just greener and more sustainable, but also more equitable and inclusive through solutions that bring additional benefits to climate action.

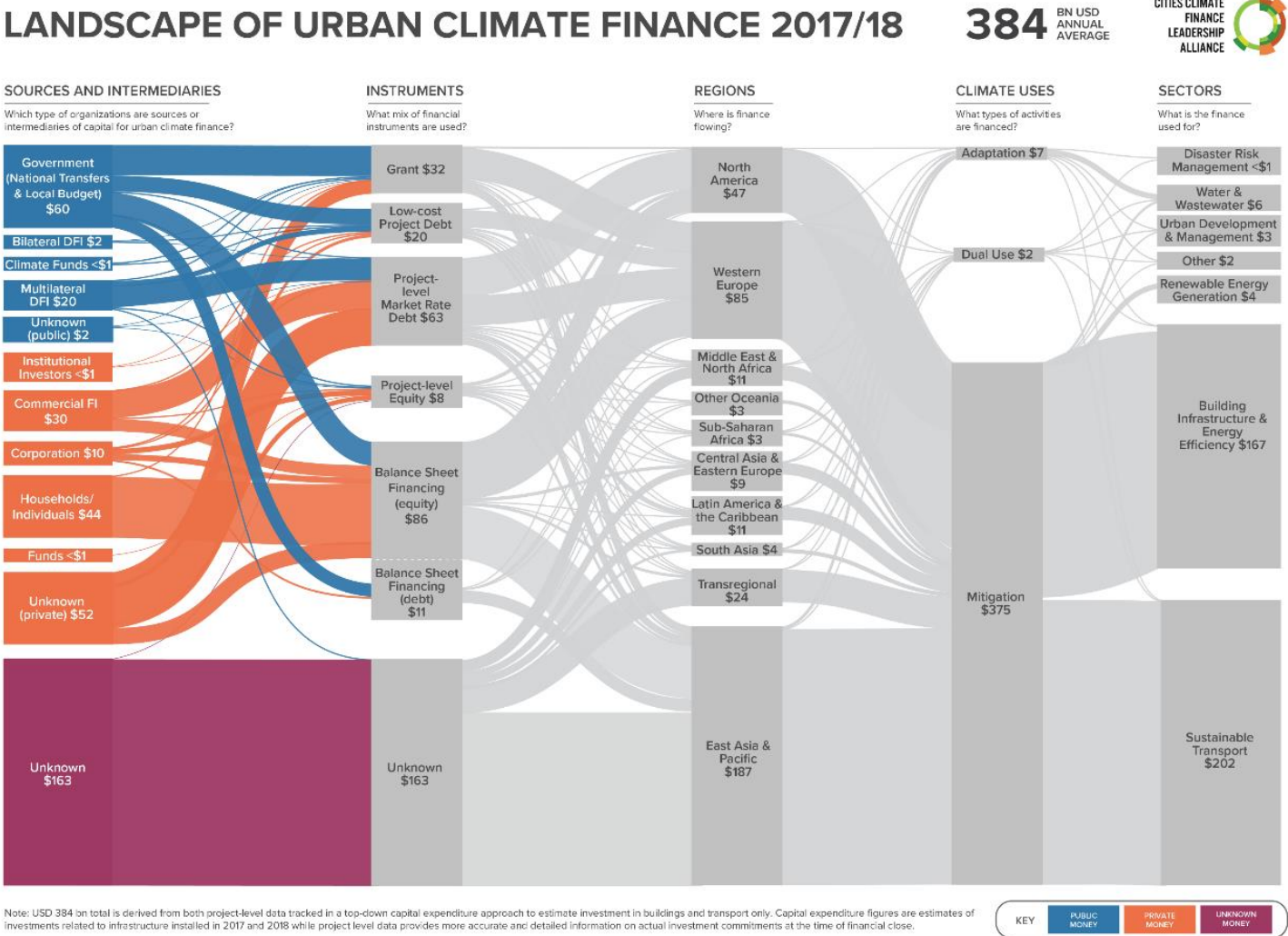
**Many of the solutions to the climate crisis in cities already exist.** Urban greenhouse gas emissions in cities can be reduced by almost 90% by 2050 with today's technologies and widely available measures<sup>2</sup>. What's more, a climate-smart transition can support nearly 90 million jobs in 2030. To make this happen, cities need to be able to prepare bankable projects, create a favorable enabling environment, and understand financial instruments available to implement the solutions towards urban climate action.

1. Global Covenant of Mayors, 2019.

2. Coalition for Urban Transitions, 2021.

# USD 384 billion is flowing to city-level climate action, but this is far short of needs.

The 2021 State of Cities Climate Finance Report makes clear the need for urban climate action and finance. An estimated total of USD 384 billion was invested in urban climate finance globally. Current findings show that this is far below the approximate USD 5 trillion needed annually. The report also presents some of the opportunities to close this investment gap. These exist in all geographies and are especially relevant in developing countries, with regions such as Latin American only being invested \$11 billion, but with an annual opportunity of at least \$417 billion. [Learn More](#)

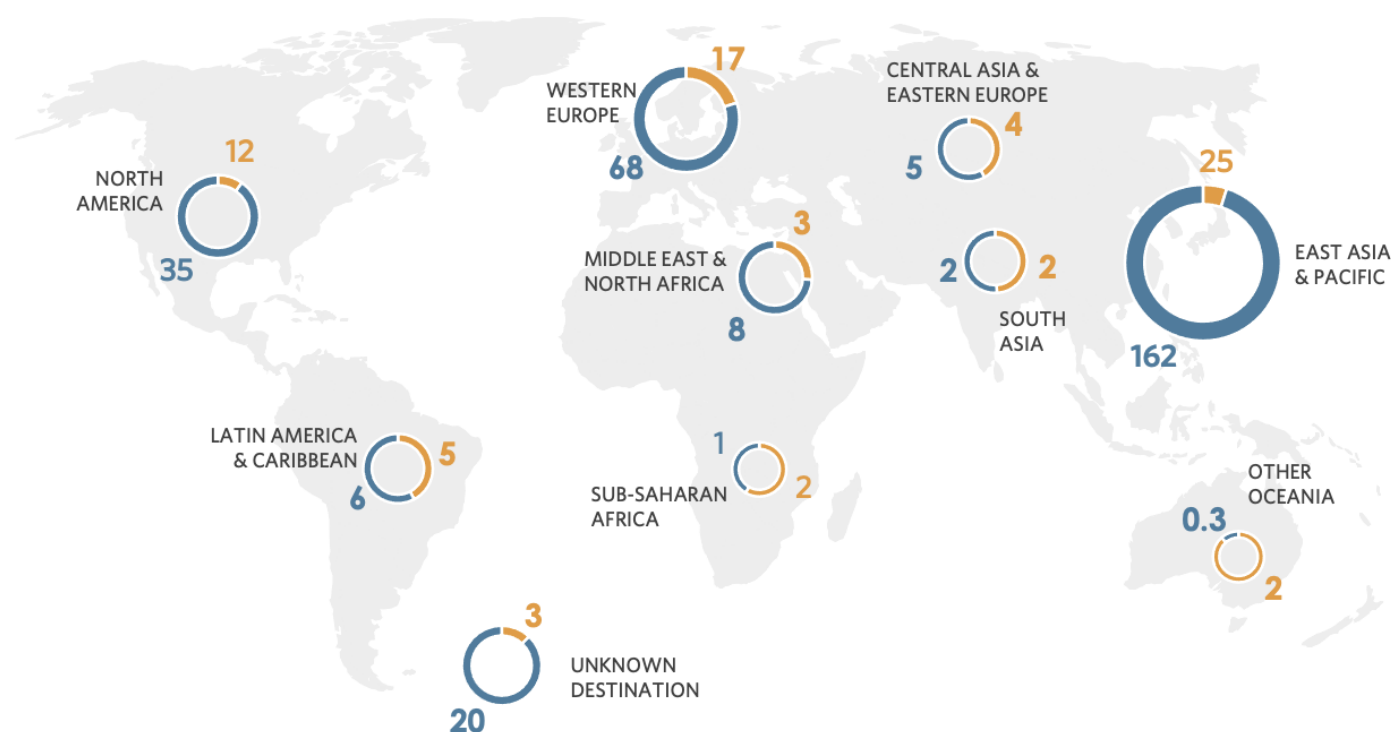


# The regional distribution of urban climate investment is leaving behind rapidly urbanizing regions, and adaptation finance is far behind.

Of the total USD 384 billion, most investments are being channelled into OECD countries and China, while developing countries in South Asia and Sub-Saharan Africa have considerably less access to finance, despite their growing need for urban climate finance and considerable investment opportunities.

The report's first comprehensive estimate of urban climate finance shows that finance for adaptation is far below the finance available for mitigation. This gap needs to be addressed urgently as the effects of climate change become more evident.

Urban Climate Finance Flows by Geography, 2017/2018



Project-level Data  
Estimated Capital Expenditure

## 02. Alliance Structure & Activities

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Advancing knowledge, cooperation, & advocacy



# The Alliance brings together leaders from over 75 member institutions

## SUPPLY

Public & Private  
Finance Institutions



## ENABLERS

UN System,  
Research,  
Academic, NGOs,  
Foundations,  
Philanthropies



## POLICYMAKERS

National governments  
(donor and aid-  
receiving countries)



## DEMAND

City/subnational  
governments  
Global city networks



## FUNDERS

Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety

Federal Ministry  
for Economic Cooperation  
and Development

## SECRETARIAT





**24** new members  
added

**23** initiatives measuring  
impact through the  
Leadership for Urban  
Climate Investment

**6** publications, tools and  
resources developed by  
the Alliance Secretariat

**12** action-oriented  
**outputs** from 3 action  
groups

**53** events hosted or  
participated in

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## Alliance members form the backbone of the Alliance, contributing to a significant increase in outputs from 2019 to 2021

The Alliance consists of member institutions that work together to advance shared aims and raise ambition in the field of subnational climate finance.

Our members form the backbone of the Alliance, including in prioritizing the topics we focus on and contributing to all activities and outputs.

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## Alliance City Ambassadors ensure that the Alliance's activities and outputs support cities' on-the-ground financial realities.

Alliance City Ambassadors are experienced city leaders who act as advisors to the Alliance and ensure that its activities and outputs are practical for cities' ground-level financial realities. In 2021, six City Ambassadors were selected, representing a global geographical spread. The City Ambassadors participate in and speak at Alliance events, review outputs and knowledge products, and act as advocates for the Alliance's mission and work. [Learn More](#)

### ASIA



**Mar-len Abigail S. Binay**  
Mayor,  
Makati City, Philippines

### AFRICA



**Gareth Morgan**  
Director: Resilience,  
Cape Town, South  
Africa

### MIDDLE EAST



**Nada Yamout**  
Former City Council  
Member,  
Beirut, Lebanon

### N. AMERICA



**Brigid Shea**  
County Commissioner,  
Travis County, Austin,  
USA

### S. AMERICA



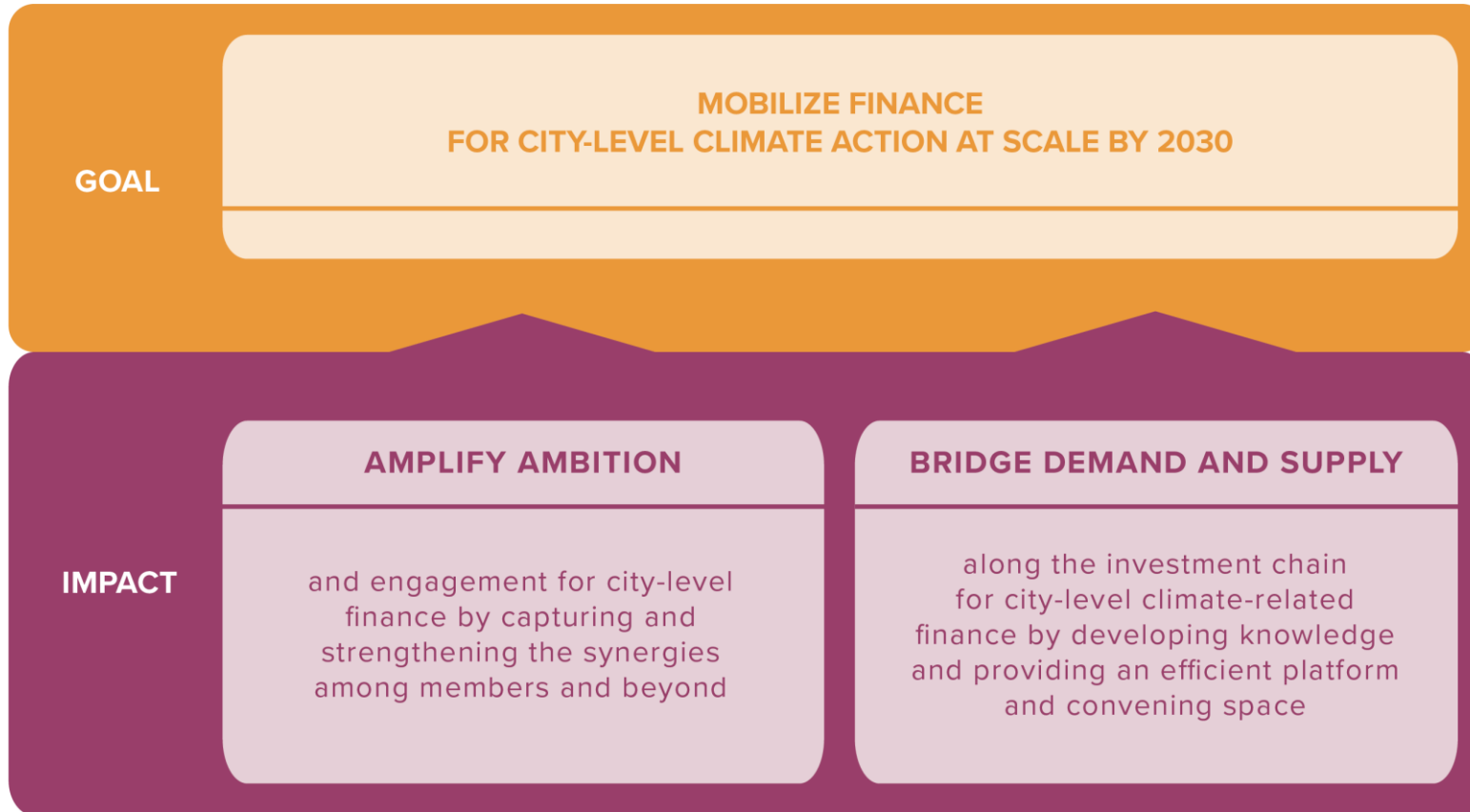
**Isabella Meneses de  
Roldão Fiorenzano**  
Vice Mayor, Recife,  
Brazil

### UK/EUROPE



**Richard Bell**  
City Treasurer,  
Glasgow, United  
Kingdom

# Our Theory of Change



The Cities Climate Finance Leadership Alliance is the only multi-level and multi-stakeholder coalition with a core aim of closing the investment gap for urban subnational climate projects and infrastructure worldwide.

We do so by amplifying member ambition and bridging the demand and supply of climate finance in cities through knowledge, cooperation, and advocacy.



# Alliance Activities 2019-2021

OUTCOMES	Tracking and measuring urban climate finance Understanding the finance gap	Project Preparation Increasing bankable projects	Enabling Frameworks Strengthening legal, regulatory, and policy frameworks	Financial Toolbox Bridging supply and demand for urban and subnational climate	Influencing the global agenda on urban climate finance
GLOBAL	<ul style="list-style-type: none"> <li>2021 State of Cities Climate Finance Report</li> </ul>	<ul style="list-style-type: none"> <li>The Landscape of Project Preparation: Gap Analysis</li> <li>Project Preparation Resource Directory</li> <li>Project Preparation Glossary</li> <li>Factsheets on Project Preparation Good Practices</li> <li>Integrating Co-Benefits in Sustainable Infrastructure</li> <li>Aligning SOURCE with Project Preparation Action Group</li> <li>Harmonized Application Form for Project Preparation Facilities</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging National Development Banks</li> <li>Standardized methodology of Enabling Framework Conditions</li> </ul>	<ul style="list-style-type: none"> <li>Aggregation in urban climate finance</li> <li>Mapping case studies of innovative financial instruments &amp; mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Leadership of Urban Climate Investment - LUCI</li> <li>Supporting advocacy for cities climate finance</li> <li>Policy Briefs: <ul style="list-style-type: none"> <li>Urban Climate Finance in the Wake of COVID-19</li> <li>Leveraging National Development Banks</li> </ul> </li> <li>Events and communication</li> </ul>
REGIONAL/ LOCAL	<ul style="list-style-type: none"> <li>Assessing Jakarta's Climate Investments</li> <li>A Snapshot of Urban Green Finance in Two Indian Cities</li> </ul>	<ul style="list-style-type: none"> <li>Mexico Forum</li> <li>PreP – Project Preparation course for city officials – Latin America</li> <li>Indonesia Assessment for Project Preparation</li> </ul>	<ul style="list-style-type: none"> <li>Indonesia Enabling Frameworks case study</li> <li>Ecuador Enabling Frameworks case study</li> </ul>	<ul style="list-style-type: none"> <li>Financing Africa's Urban Opportunity</li> </ul>	
SECTORAL	<ul style="list-style-type: none"> <li>An Analysis of Urban Climate Adaptation Finance</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure: Implementing Aligned Set of Sustainability Indicators in Cities</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Building Climate Resilience in Cities Through Insurance</li> </ul>	

# Action Groups: Advancing knowledge-sharing and collaboration in key areas related to urban climate finance

Alliance Action Groups strengthen members' activities by advancing a specific area and are designed to respond to shifts and gaps in the broader urban climate finance space. The groups meet regularly to discuss challenges and opportunities, to share their work/experience, and collaboratively develop new knowledge.

## Enabling Frameworks

**Strengthening legal, regulatory, and policy frameworks that boost climate finance for cities by:**

- Highlighting the role of key stakeholders (like National Governments, National Development Banks, and MDBs) who can reform and strengthen enabling frameworks related to subnational climate finance
- Sharing ideas and initiatives for increasing cities' own financial management capacity and fiscal activities

## Financial Toolbox

**Bridging supply and demand for urban and subnational climate finance by:**

- Collaboratively advancing financial tools to scale investment for cities
- Investigating and sharing knowledge on innovative financial instruments and mechanisms

## Project Preparation

**Supporting cities to develop pipelines of high-quality bankable projects for low carbon and climate-resilient pathways by:**

- Bringing together practitioners to build local project preparation capacity
- Increasing cooperation and standardization amongst Project Preparation Facilities and other supporting initiatives
- Developing new knowledge and guidance on leading project preparation practices

Chairs



Chairs



Chairs



# Project Preparation Action Group (PPAG): Members collaborate to create harmonized application form and project preparation glossary



Harmonized Application Form for Project Preparation Facilities (PPFs)

Through a collaborative process, C40 Cities Finance Facility, CDP Matchmaker, ICLEI Transformative Actions Program and Sustainable Infrastructure Foundation are now using a harmonized application form for their project selection process. The form will help cities understand the relevant information sought for project support, reducing the time spent preparing applications, and paving the way for more collaboration between PPFs.



Project Preparation Glossary

Action Group members stressed that one of the key challenges cities often encountered to submit quality applications for project support was the understanding of specific terminology. To overcome this, the Alliance published a Project Preparation Glossary that complements the Harmonized PPF Application, the Project Preparation Resource Directory, and Alliance knowledge products on project preparation.



Aligning the Sustainable Infrastructure Foundation's SOURCE with the PPAG

The Alliance Secretariat and the PPAG have worked with SOURCE to:

- I. Integrate knowledge products of the PPAG within SOURCE, such as the PPF Glossary
- II. Test the suitability of SOURCE with pilot projects from PPAG members
- III. Assist and improve the programme, including technical support to users, update of programmes into the PPF finder, and embedding relevant knowledge products.





# Project Preparation Action Group regional work: Activities to Support Preparation of Urban Climate Projects in Mexico & Latin America

Local capacity development in project preparation is key to creating a pipeline of climate smart urban projects at scale. Mexico and the Latin America region were chosen by members as the first step to regionalize the Alliance's work. The Alliance, together with key members, has worked to increase capacity in local governments to prepare bankable projects through two main activities.

## PreP – Project Preparation course for city officials and project proponents

In partnership with FELICITY, C40 CFF, and GIZ, the Alliance hosted an online course that provided an overview of key concepts in project preparation and implementation and impact measurement. The course was comprised of 11 interactive webinars, with 2,000+ attendees from 18 countries enrolled in the full training certificate program. The full online course remains available online. [Learn More](#)

## The Alliance Forum for Subnational Project Preparation Practitioners in Mexico

The Alliance, ICLEI, and FMDV organized a virtual forum in Mexico which covered the current work of PPF providers; challenges and solutions regarding project financing; and the services and opportunities offered by national and international financial institutions for urban development in Mexico. With over 300 people in attendance, the event addressed the need for local-context specific training. [Learn More](#)

"The Alliance plays a crucial role in bringing together different actors working on closing the investment gap for climate action in cities... the first sub-national forum in Mexico, organized by ICLEI and FMDV, strengthened the collaboration not only between Alliance members globally and locally, but enhanced coordination of national and international organizations, as well as all levels of government - including city officials in the country - towards developing bankable projects. This is why we engage here!"

**Maryke van Staden, Director of ICLEI's carbonn Climate Center (Bonn Center for Local Climate Action and Reporting)**







# Enabling Frameworks Action Group: Highlighting the role of National Development Banks

## Leveraging NDBs to Enhance Financing for Climate-Smart Urban Infrastructure

While National Development Banks (NDBs) are well positioned to scale up financing for climate-smart urban infrastructure, only a small number provide finance for local governments or green infrastructure. During 2020-2021, the Enabling Frameworks Action Group developed a think piece and knowledge product to evaluate the demand (cities) and supply (NDBs) side barriers of climate-smart urban infrastructure financing to identify actionable opportunities to scale up NDB financing for climate-smart urban infrastructure. [Learn More](#)

## Reaching and Convening the Relevant Actors Through Targeted Messaging

The knowledge product is accompanied by four policy briefs targeted towards key stakeholders including officials from NDBs, National Government Ministries, Cities, and International Financial Institutions; and was launched in a webinar which featured a presentation of key findings followed by a panel discussion with officials from Banobras, Green Climate Fund, Banco de Desenvolvimento de Minas Gerais (BDMG), and the City of Cape Town. The Alliance continues to promote this topic in major events like Asia Pacific Climate Week. [Learn More](#)

"Being part of the Alliance has been a valuable engagement that has allowed us to work towards demystifying the complexities around financing climate-smart urban infrastructure projects for our mayors and cities. As the co-chair of the Alliance's Enabling Frameworks Action Group, GCoM has been able to connect with like-minded institutions, discuss common challenges, and improve policy frameworks around cities' ability to access much-needed climate finance."

**Andy Deacon, Acting Global Managing Director, Global Covenant of Mayors for Climate & Energy (GCoM)**






# Financial Toolbox Action Group: Advancing the identification and deployment of financing options

## Aggregation Interventions to Increase Urban Climate Finance

Aggregation interventions can be utilized to maximize financing for small and medium-sized urban climate projects worldwide, but little information is available about what exactly these interventions are and how they can be applied. New work from the Financial Toolbox Action Group aims to provide an overall scene-setting framework to illuminate actionable aggregation interventions. The full version of the report has been released and a shorter version is forthcoming in 2021.

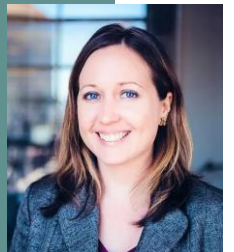
## Mapping Case Studies of Innovative Financial Instruments & Mechanisms

In 2021, the group is developing a mapping of case studies of innovative financial instruments and funding mechanisms successfully utilized for urban infrastructure projects. This work will include a taxonomy of innovative financing instruments/mechanisms, in addition to the mapping of case studies from all regions around the world.



“CDP serves on the Steering Committee for the Alliance and through our participation in the Project Preparation Action Group and Financial Toolbox Action Groups we have found numerous opportunities to partner with other organizations who have a shared mission to accelerate financing climate action in cities. The Alliance serves a critical need – it bridges organizations and people with common purpose and catalyzes new ways of working and initiative that finance city climate action. The collective organizing efforts in the Alliance are supporting us on the journey as Cities Race to Zero and Race to Resilience.

**Katie Walsh, Head of Cities, States and Regions, CDP North America**





# Alliance-driven knowledge products address key and emerging topics on both global and regional scales

## COVID-19 and Financing a Green Recovery



Urban Climate Finance in the Wake of COVID-19

## Financing Adaptation and Building Climate Resilience in Cities



An Analysis of Urban Adaptation Finance



Building Climate Resilience in Cities Through Insurance

## Region-Specific Reports

- Financing Africa's Urban Opportunity
- The Alliance Forum for Subnational Project Preparation Practitioners in Mexico
- A Snapshot of Urban Green Finance in Two Indian Cities
- Assessing Jakarta's Climate Investments



## The Project Preparation Resource Directory helps subnational governments and stakeholders identify project preparation facilities (PPFs)

Most cities, especially in developing countries, face challenges in identifying and developing financially viable climate-smart infrastructure projects which are also attractive to public and private financiers. resource that addresses this critical challenge.

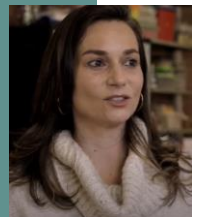
Developed in partnership with the Penn Institute for Urban Research, The Project Preparation Resource Directory is an open, online resource that is the first and only directory of PPFs targeted to help cities access sustainable finance.

### FELICITY Supports Porto Alegre to Power Local Schools

Financing Energy for Low-carbon Investment - Cities Advisory Facility (FELICITY) has worked closely with the City of Porto Alegre, Brazil to equip up to 99 schools with energy efficiency measures and rooftop solar PV. Support was critical in helping the city prepare and structure this transformative project, which will be scaled-up to other public buildings and inspires replication in other parts of Brazil. The project is affecting 50,000 students, many in disadvantaged neighborhoods, cuts 60% of electricity costs, and lowers GHG emissions - contributing to pupil's education by bringing sustainable technologies into their immediate environment. [Learn more](#)

"The project allowed us to explore - within the school community- the experience of sustainable innovative spaces"

**Janaina Audino, Secretary of Education, Porto Alegre**





## Events are key moments for the Alliance to convene members, to learn from one another, and to advocate for pivotal changes

From May 2019 to September 2021, the Alliance has organized and participated in a variety of events.

“...From the lessons that we take from our participation in the Alliance [Mexico Project Preparation Forum] event, now we know that we must structure our projects in a clear and concise manner, defining the technical-financial aspects, same that will make them viable, but above all, that it is very important to communicate effectively the ends and means to specialized audiences.”

**Kassandra Soto, Project Director at the Municipal Institute for Urban Planning, City of Hermosillo**



3

### **Alliance Assemblies**

bringing together all members to discuss the strategic direction of the Alliance

10

### **Alliance-hosted events**

at major conferences and in conjunction with publication launches

40

**public-facing events and strategic meetings organized by members and partners** to raise awareness of our mission and key findings from knowledge products



**650+**

Newsletter  
subscribers

**5x**

increase in Linked In  
followers from 2019  
to 2021

**2.5x**

increase in Twitter  
followers from 2019  
to 2021

**11**

Member Spotlights  
showcasing  
individual members'  
work

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## Communicating global developments of urban climate finance

The Alliance has developed new communication products to reach a broader audience and amplify the work of members.

This includes a new Alliance website with external-facing resources and an internal members area, an increased presence on social media and in news/media outlets, and avenues to showcase members' work including member spotlights and the Alliance bi-monthly newsletter.

# Participation in international initiatives and networks

The Alliance Secretariat participates in several external global initiatives (e.g., knowledge partnerships, working groups, expert panels) and multi-stakeholder networks to raise visibility of the mission of the Alliance and amplify its core messages to broader audiences with relevant interests. To date, the Alliance has engaged actively with the following:



"The City Climate Finance Gap Fund was created to fill an existing gap in early-stage project preparation in cities. Coordination with the Alliance and its members has helped in setting up the Gap Fund and making sure it is well aligned with other urban climate initiatives – the Alliance is helping achieve the Gap Fund's mission of successfully bringing projects to bankability."

**Gerry Muscat, Head of Division, Urban Development, European Investment Bank**



## 03. Alliance Members and their Initiatives

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Mapping the urban climate finance space



## Alliance members are driving urban climate action through project preparation support, knowledge-sharing, and project finance

To scale urban climate finance and impact, Alliance members are catalyzing action along the entire value chain of subnational climate finance- from project conception through to financing. Alliance members range in size and function, so we asked them to select the type of support that best describes their key programs and initiatives. Each of these are critical aspects to support the prioritization of cities in the global architecture of climate finance.

**\*About the member mapping:** 50 members responded to the survey issued between May-July 2021. Overall, members provided information about a total of 67 programs and initiatives. The following figures aggregate and summarize information about members' programs and initiatives. [Click here](#) for more information on the questions, responses, and method.

### Type of Members' Programs/Initiatives



36

Project preparation/ Technical Assistance/ Facility/ Pipeline builder



17

Research & Knowledge



15

City Network



15

Alliance/ Coalition



13

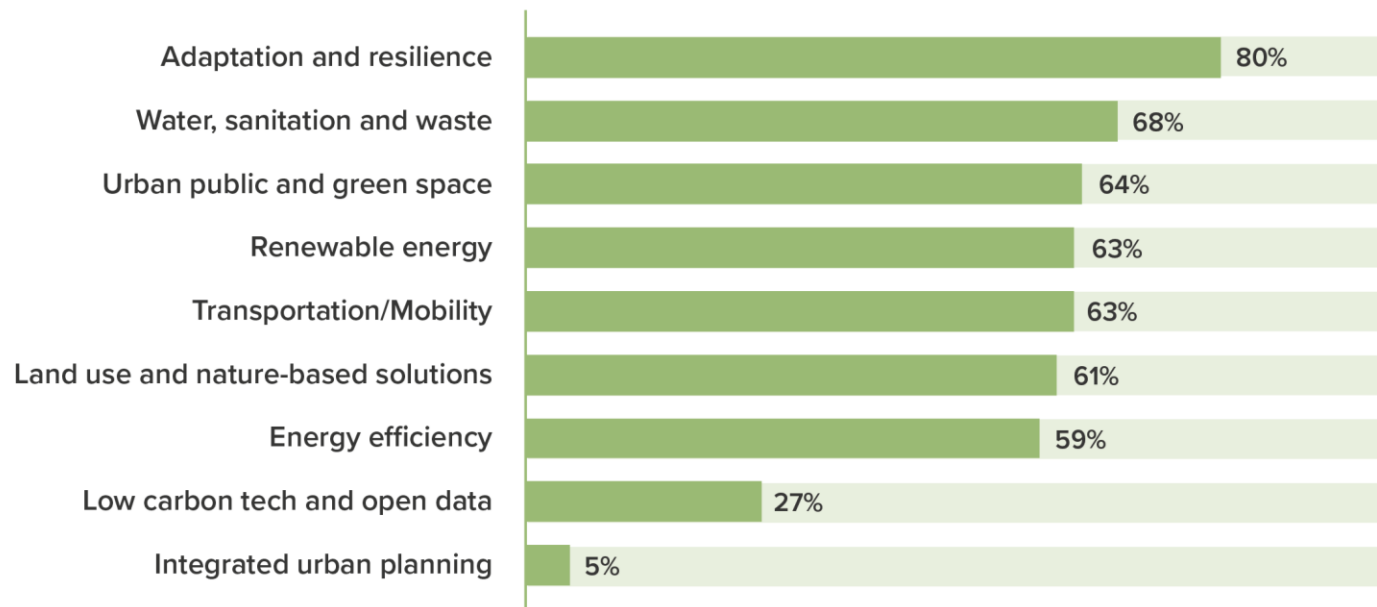
Financial institution/ Fund

# Almost all Alliance members focus on both mitigation and adaptation

The large majority of Alliance members focus on multiple sectors, indicating broad climate, multi-hazard planning and infrastructure financing support.

88% of surveyed members address mitigation and adaptation concerns, a significant increase from the previous Alliance mapping in 2017.

Percentage of members selecting a particular sectoral focus



## C40 Cities Finance Facility Helps Durban, South Africa to Adapt to Climate Change

The C40 City Finance Facility (CFF) supports cities through technical assistance to develop cities' sustainability priorities into bankable investment proposals, in collaboration with C40 Cities and GIZ. In Durban (eThekweni), the CFF is developing a business case for a Transformative River Management Program- a long term vision that aims to adapt the 7,400 km of streams and rivers in the city to the flooding, drought and higher temperatures that can be expected from climate change. The Business Case aims to persuade a range of funders including the municipality itself, businesses, property, and global climate funders to make the investments required. [Learn more.](#)

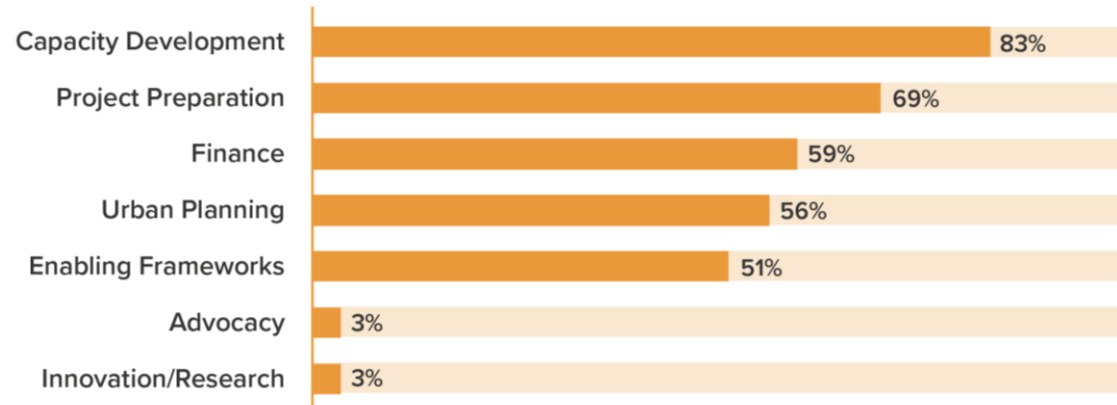


## Capacity development and project preparation are the main focus areas for Alliance members' programs/ initiatives

In terms of the activities of the members' programs/initiatives, the top areas of focus included capacity development, enabling frameworks, project preparation, urban planning, and finance. Most programs had more than one focus area.

### CDP Develops Capacity Amongst Cities in North America

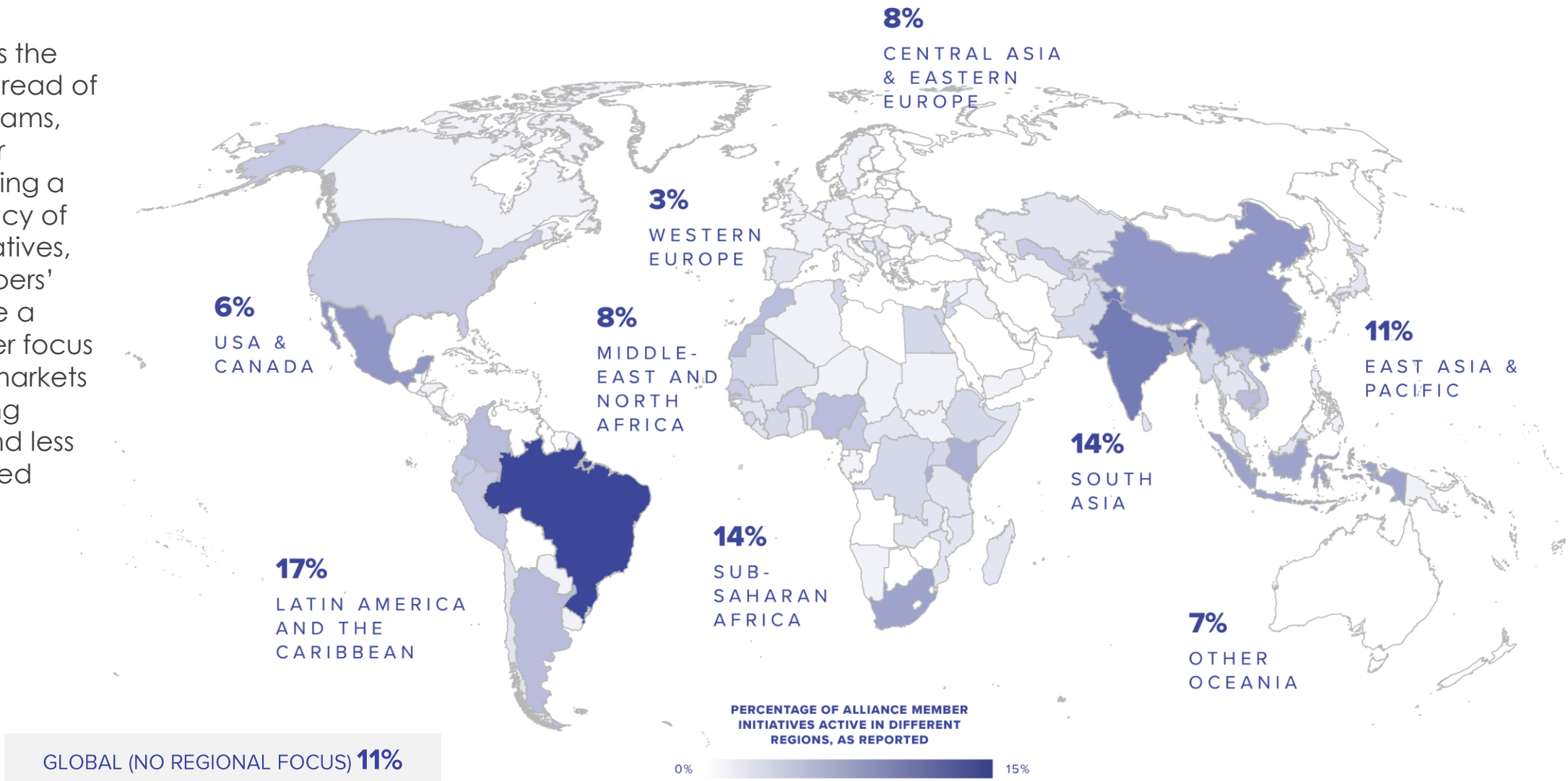
CDP North America hosted its first "Catalyze Cohort Workshop" in 2021 to bring together cities, counties, capital markets firms, and companies to learn and exchange best practices as well as build relationships for advancing climate action through public infrastructure. CDP hosted the virtual workshop to provide municipal sustainability and finance staff from 11 local governments across the U.S. key trainings around sustainable and equitable project conceptualization, development, and financing mechanisms. This capacity building workshop series took place over two days with five sessions focused on designing, developing and financing equitable municipal green infrastructure and transportation projects with the last session as a networking event for city staff, private sector representatives, and non-profit partners. [Learn more.](#)





# Alliance member climate finance initiatives are implemented globally, with an emphasis on emerging markets and developing economies

This map shows the geographic spread of member programs, with the darker shades indicating a higher frequency of programs/initiatives. Alliance members' programs have a relatively higher focus on emerging markets and developing economies, and less so on developed regions.



## 04. Leadership for Urban Climate Investment (LUCI)

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Measuring impact and raising ambition

## The Leadership for Urban Climate Investment (LUCI):

- Elevates and tracks commitments made by Alliance member initiatives, helping them to implement bold targets by 2025.
- Enables these ambitious targets by catalyzing action along the entire value chain of subnational climate finance from project conception through financing.
- Is hosted by the Alliance and was initiated by a multi-stakeholder coalition led by the German Federal Government at the UN Secretary General's Climate Action Summit in 2019.

**LUCI initiatives are committed to reaching the ambitious 2025 targets:**



**Since 2019, LUCI initiatives have made significant strides in supporting cities for impact:**

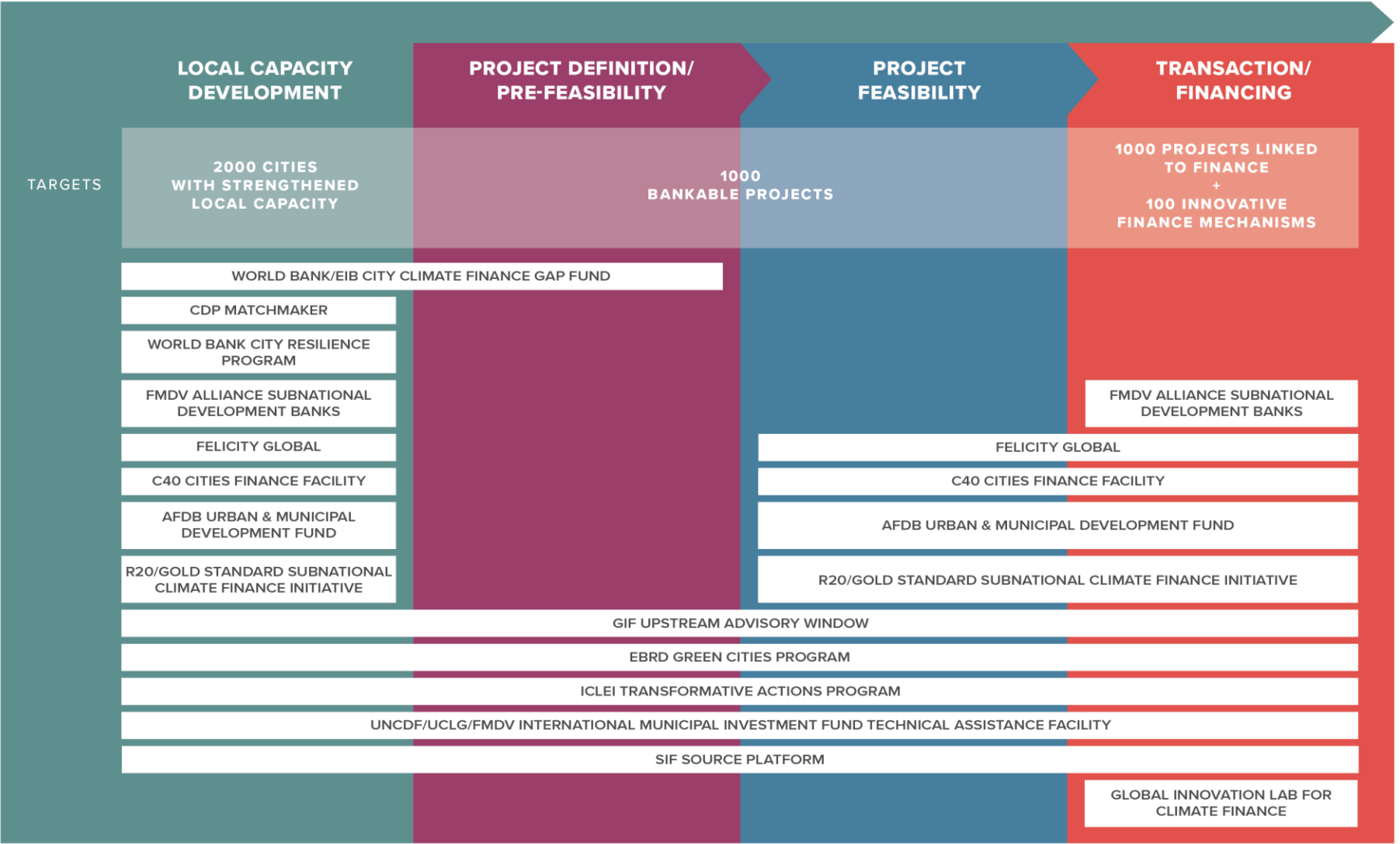



**Visit the LUCI page:**

<https://citiesclimatefinance.org/about/luci/>



# LUCI initiatives support cities along the entire value chain of subnational climate finance from project conception through financing





Urban climate-smart infrastructure projects are not realized at the scale and speed required. This is where LUCI initiatives step in.

### Global Infrastructure Facility (GIF) Uses Aggregated Procurement to Help Light Brazil's Streets

GIF is supporting the structuring and procuring of up to 15 projects to modernize and expand Street Lighting services in Brazil under a PPP model, **combining social, climate and gender objectives** through private sector investment. By implementing modern LED technology to public street lighting, the Program is expected to benefit 4.5 million people and reduce emissions by about 21,563 tons of CO2 per year. The scalable and replicable components built into this program show potential to reach the over 5,000 municipalities in the country. [Learn more here.](#)

### R20 – Leading on Innovative Approaches to Subnational climate finance

R20 – Regions of Climate Action, Pegasus Capital Advisors, the International Union for Conservation of Nature, BNP Paribas, and Gold Standard have partnered to launch the Sub-national Climate Finance Initiative (SCF). The newly launched SCF, incubated and supported by [The Global Innovation Lab for Climate Finance](#), will target mitigation and adaptation projects at the sub-national level, specifically at the deal size of USD 5 million to 75 million. With Green Climate Fund anchor funding and first-loss coverage, this is the first time an impact equity fund mobilizes public (20%) and private sector (80%) funding at scale to de-risk sub-national middle scale infrastructure projects. [Learn more here.](#)

“Through Climate Policy Initiative, the Subnational Climate Fund Global has been able to benefit from the seamless support of the Alliance and the Leadership for Urban Climate Investment initiative which it hosts. Our work, blending technical assistance, project preparation, and direct investment, is a complex undertaking that requires the type of convening and knowledge sharing that Alliance membership offers.”

**Felicity Spors, Head of Sustainable Finance, The Gold Standard Foundation**



## 05 Looking Ahead

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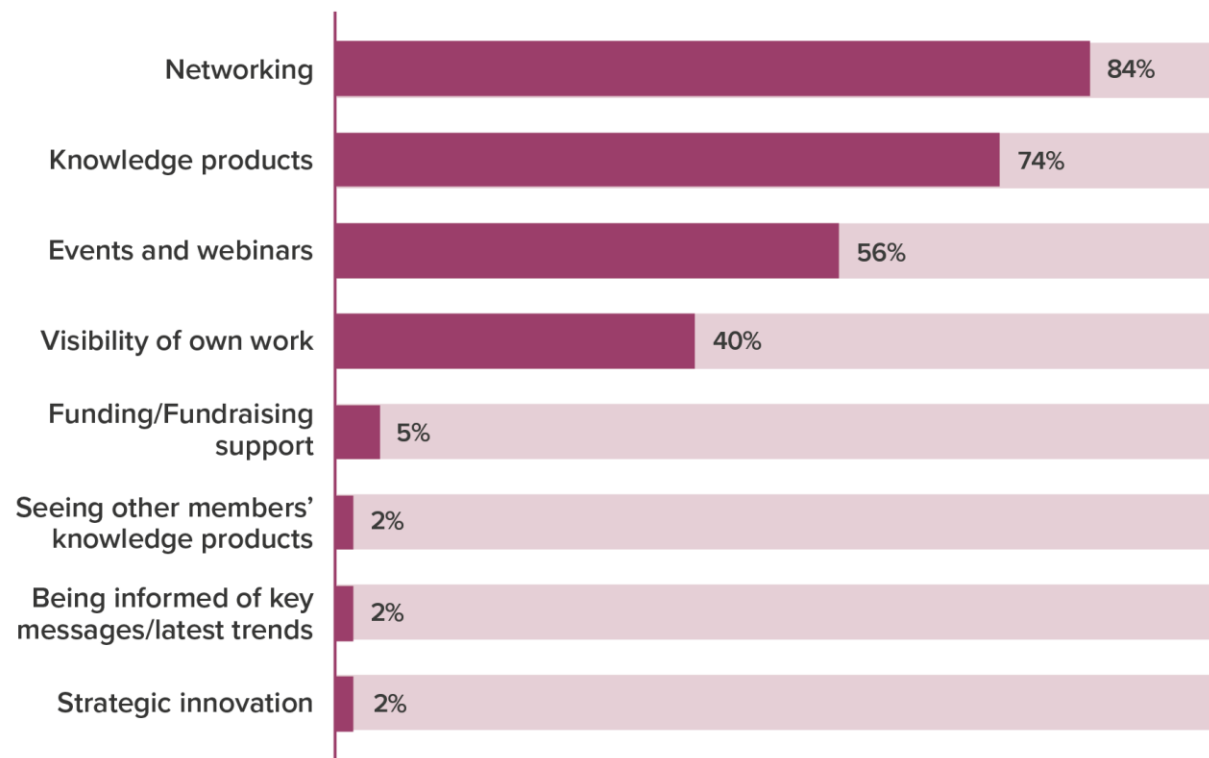
## Advancing the Alliance's value moving forward

Moving forward, the Alliance will continue to focus on its three main areas of **knowledge, cooperation, and advocacy**, which also align with the areas where members feel they gain the most value from their participation in the Alliance.

Publications will be defined increasingly through the members' demand for knowledge in areas where current gap exists. Networking opportunities through collaboration efforts, including action groups, will remain a priority.

## What aspects of the Alliance are most valuable to your own work?

Members' responses (% selecting option in multiple choice poll)



The responses from the members' survey shows a clear value added of the Alliance for its members as a creator of data and knowledge creation and as a platform for cooperation and visibility of impact of members' work.

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## Key areas for further development

In addition, the 2021 Alliance Assembly identified several key areas for further development including **advocacy, regionalization, and impact measurement.**

We aim to also explore relevant areas where knowledge gaps have been pointed by our members, including **urban finance tracking, net zero buildings and sustainable construction, adaptation finance, green recovery from COVID 19, climate action planning implementation and vertical integration with national priorities and NDCs.**

## Key takeaways and next steps from Alliance Assembly 2021

### 1. Advocacy Strategy

- Identify and highlight what members are doing already in advocacy
- Outline messages that can be used by members in their own advocacy efforts
- Define channels to reach policymakers

### 2. Regionalization

- Translate/simplify knowledge products for targeted/end users at local level
- Replicate and expand action-oriented events like Mexico Forum

### 3. Measuring Impact

- Standardize definitions of project success and climate credibility
- Consider how to measure Alliance members' impact on the community/local level
- Develop targets for each of the Action Groups

**This report was prepared  
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Finance Leadership  
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Climate Policy Initiative is an analysis and advisory organization with deep expertise in finance and policy. Our mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change.

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