C40 CITIES FINANCE FACILITY
Partnering to mobilize finance for sustainable urban infrastructure

Rapid, unplanned urbanization in developing countries often leaves cities disproportionately vulnerable to environmental impacts like flooding and extreme weather events, which are becoming more severe and less predictable with climate change. At the same time, cities have ambitions for large-scale emissions reductions via energy-efficient buildings and transportation systems. Infrastructure investments made today will determine cities’ ability to achieve tomorrow’s development objectives.

Access to financing is one of the key barriers that cities face in building critical infrastructure projects and delivering on their resilience and energy plans. Even when financing is available, city officials often lack the capacity to access the right resources or to manage the funds effectively.

USAID is partnering with Germany’s Federal Ministry for Economic Cooperation and Development, BMZ, to help cities in developing countries finance infrastructure projects that will reduce greenhouse gas emissions and withstand environmental impacts today and tomorrow. USAID has provided $2.3 million to support the C40 Cities Finance Facility (CFF), a broad program run by the C40 Cities Climate Leadership Group and Germany’s aid implementer GIZ.

Ultimately, the program aims to unlock up to $1 billion for low-carbon, climate-resilient infrastructure investments in areas such as clean water, efficient transportation and secure housing. This work supports USAID’s urban policy, Sustainable Service Delivery in an Increasingly Urbanized World.
OBJECTIVES

The C40 Cities Finance Facility will help cities reduce greenhouse gas emissions and increase their resilience to climate and weather risks by mobilizing financing for city-level actions. The Facility will achieve these goals through the following four core activities:

**PROJECT PREPARATION**
- of urban climate change investment projects for sustainable financing

**CAPACITY DEVELOPMENT**
- of city administrations to mobilize and access a broad range of financing instruments

**KNOWLEDGE SHARING**
- beyond CFF partner cities via peer-to-peer learning and CFF stakeholders

**PARTNERSHIPS**
- between cities, investors, financiers and their representatives

City administrations, mayors and other officials will be the key actors in the Facility’s project preparation process. The Cities Finance Facility will provide technical assistance to build the capacity of city officials to structure projects, make connections with investment partners and ultimately access a broad range of financing instruments. The CFF is piloting its approach with two urban infrastructure projects in C40 cities:

- Bogotá, Colombia will build a first-of-its-kind 25-kilometer bicycle highway traversing the city
- Mexico City, Mexico will install a Green Bus Corridor on one of its major thoroughfares, Eje 8 Sur, and buy at least 100 electric buses

PARTNERS

The C40 Cities Finance Facility is currently funded by Germany’s Federal Ministry for Economic Cooperation and Development (BMZ) and USAID, with support from the Inter-American Development Bank (IADB). The initiative is run by C40, with its network of supported cities and partners and with technical assistance provided by Germany’s GIZ. The C40 Cities Finance Facility is also cooperating with several development-focused investor groups and platforms to attract investment for projects, as well as urban development networks and initiatives to identify synergies and share best practices.