



SMART CITIES PROGRAM

A comprehensive investment program to drive mitigation and resilience at scale in fast growing cities

The impacts of climate change are most acutely felt in cities. They consume more than 75% of the world's energy and produce significant levels of GHG emissions. The case for climate smart interventions in cities is now urgent.

The speed of urbanization is most profound in low and middle-income countries, where the proportion of people living in urban areas has accelerated to 50% since 2010. The CIF Smart Cities Program offers a comprehensive investment program to drive mitigation and resilience at scale in fast growing cities. Ensuring their growth is climate smart, green, inclusive, and sustainable.

THE CHALLENGE OF CITIES

Cities are a part of the climate crisis. They produce 60% of global GHG emissions and consume 78% of the world's energy, they are also victims of climate change.

The [2022 Intergovernmental Panel on Climate Change \(IPCC\)](#) report specifically highlighted cities as 'hotspots' of climate impacts and risks. The ramifications for the quality of city life are dire. Drinking water, sanitation, drainage, health, education, and other urban services are increasingly threatened.

55% of the world's population now live in urban areas; this will increase to nearly 70% by 2050. The rapid expansion of urbanization in the near future heightens the risks further; it forces cities to encroach into areas of escalating vulnerability to extreme climate events.

Low and Middle-income countries have been identified as places where the pace of urbanization is at its most profound – where fast-growing small to medium-sized cities are found. Urbanization in these countries has increased to 50% since 2010.

These cities are particularly vulnerable. Their ability to adapt to and mitigate climate change is severely compromised.

WHY?

Because these small and medium sized cities, by their very nature, have no history of creditworthiness and bankability. This is a barrier to attracting private finance to help them overcome their climate vulnerabilities.

The limited governance, technical, financial, and institutional capacities of some municipal governments are also constraints to investment in climate-smart urban infrastructure.

CITIES ARE ALSO A PART OF THE SOLUTION

Climate-smart cities could significantly reduce GHG emissions, increase resilience to climate risks, and stimulate sustainable and inclusive economic growth.

New and rapidly urbanizing areas, where urban form and infrastructure are a work in progress, hold the greatest potential for sustainable, resilient, and inclusive development.

It is urgent to act on these areas as a priority - while they are still in development.

Scaling up interventions to these fast - growing cities is key to avoiding the locking-in of conventional urban forms.

The right interventions, rapidly deployed will help to ensure these cities emerge as cleaner, greener, more compact, transit-oriented, and economically inclusive. Extending financing and connecting small to medium sized cities with funding from the private sector is now vital.

THE CIF SMART CITIES PROGRAM – HOW IT WILL SOLVE THE CHALLENGES AHEAD

PURPOSEFULLY DESIGNED FOR FAST GROWING CITIES

The **CIF Smart Cities Program** has been purposely designed with fast growing small to medium sized cities in mind. Because they are poised to become tomorrow's megacities, the program supports them in financing their growth in ways that contribute to achieving the goals of the Paris Agreement.

It will support cities that have significant infrastructure deficits, creditworthiness and bankability challenges, and limited ability to attract private finance. This program is their opportunity to pilot test innovative technologies and financial instruments to contribute to their climate change needs.

PROVIDES A COMPREHENSIVE SUPPORT PACKAGE

Ranging from diagnostics, to planning, to financing investment at scale and supported by multilateral development bank partners, this program provides countries the tools they need to fight climate change in their fast-growing cities.

It will collaborate with host cities to assess, and then address, their climate risk needs; to establish their baseline requirements, and then plan the next steps.

Potential CIF support for each city could range from \$30million to \$100million for investment into low-carbon and climate-resilient development in energy, transport, buildings, water, waste, and other key sectors. As with all CIF programs, the aim is to crowd in private actors to scale up the funding at many multiples of the initial investment.

The selection criteria for awarding funding will be guided by principles such as:

- Commitments to sustainable urban planning
- Stated ambitions for low-emission and climate-resilient development
- Finance mobilization potential
- Commitments to gender equality social inclusion, and a just transition.

OFFERS SCALED AND PROGRAMMATIC INTERVENTIONS

This is a unique opportunity for small to mid-sized cities - offering them a customized model of scaled and programmatic interventions that is focussed on both mitigation and adaptation interventions.

This approach will enable their growth while enhancing their climate change resilience and significantly lowering their GHG emissions.

Which is why the time is now right for the **CIF Smart Cities Program**.

WHY CIF?

CIF is a global leader in climate finance.

With over a decade-long experience as a multi-MDB co-financing platform, we pilot and scale cutting edge climate solutions and innovations to those nations bearing the brunt of the climate crisis.

CIF has been helping low and middle-income countries adapt to and mitigate climate change since 2008 - channelling over \$60 billion from governments, the private sector and others to support more than 350 projects in 72 countries in that time.

Our approach helps to stimulate local economies and kickstart new markets in those countries we partner with. Our programs act as a catalyst to crowd in additional private sector finance and boasts an impressive average co-financing generation rate of 1:8.

CIF has a proven track record of working in collaboration with cities to successfully accelerate their climate ambitions. The Smart Cities Program aspires to build on this heritage and experience.

Recent successes in global cities include:

THE ROADS AND BRIDGES MANAGEMENT AND MAINTENANCE PROJECT

Beira - Mozambique

CIF supported Mozambique in implementing a green infrastructure program for the City of Beira - building its resilience to extreme weather events and devastating floods, while improving the quality of city life for residents.

The city upgraded its stormwater drainage system resulting in 70% reduction in flood risks and adopted a nature-based approach to prevent flooding.

It has planted 7,000 trees, established a botanical garden, rehabilitated mangrove areas, and built recreational infrastructure.

The program has become the pride of Beira as the largest green infrastructure in the region. It was able to transform the marginal areas along the Chiveve River into a green urban park that offers ecosystem services such as biodiversity, drainage, urban cooling, and flood mitigation, as well as economic and recreational opportunities for Beira citizens.

CIF provided \$14.6 million financing for this project which has leveraged additional funding of \$94.4million from the World Bank (a co-financing ratio of 1:6.5).

THE COASTAL TOWNS INFRASTRUCTURE IMPROVEMENT PROJECT

Bangladesh

In partnership with the Asian Development Bank (ADB), the CIF has been working with the Government of Bangladesh to improve climate resilience and community well-being in the country's ten vulnerable coastal secondary towns (Amtali, Barguna, Bagerhat, Bhola, Daulatkhan, Galachipa, Kalapara, Mathbaria, Patuakhali, and Pirojpur) - with populations varying from 15,000 to 60,000.

A \$40 million investment and additional co-financing of \$76.7 million supported the improvement of climate-resilient coastal protection infrastructure while building capacity at the municipal governance level.

Key projects included the strengthening of critical basic services, such as cyclone shelters, emergency access roads, bridges, and drainage, water supply, and sanitation systems.

Local economically important facilities such as markets, bus terminals, and roads were upgraded during the second stage of investment. The project

not only helped make the vital infrastructure more climate resilient, but it also helped to build the resilience of the communities in the beneficiary coastal towns.

Climate risk-informed infrastructure design standards have been developed and rolled out.

Building on the project's success, two additional cities have been added to the project, with funding from ADB's own Urban Climate Change Resilience Trust Fund.

DISTRICT HEATING MODERNISATION FRAMEWORK

Pavlodar – Kazakhstan

In partnership with the European Bank for Reconstruction and Development (EBRD) and other partners, CIF supports Kazakhstan in implementing significant upgrades to the city of Pavlodar's privately

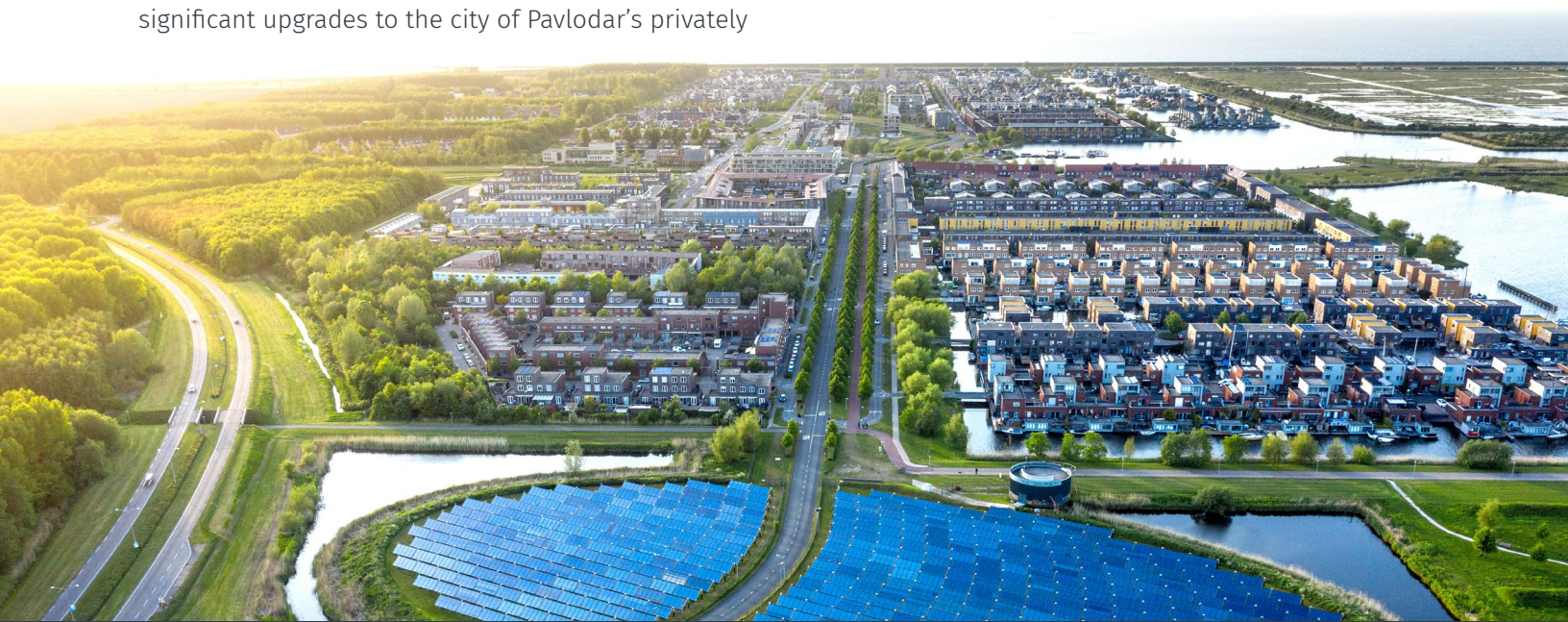
operated district heating networks in a city where winter temperatures are known to sink to 47 degrees below zero.

CIF approved \$12.4 million to help Kazakhstan municipalities save on costs, improve service, reduce heat losses, and substantially lower greenhouse gas emissions.

The ongoing enhancements across the country include replacing around 20km of pipelines, rebuilding pump stations, and improving insulation, saving 400,000 tons of carbon dioxide emissions and 1,200 gigawatt-hours of electricity per year.

Service interruptions and consumer complaints have also reduced significantly.

The project is expected to attract co-financing of \$100 million from multilateral development banks.



THE CLIMATE INVESTMENT FUNDS

c/o The World Bank Group
1818 H Street NW, Washington, D.C. 20433 USA

Telephone: +1 (202) 458-1801
Internet: www.climateinvestmentfunds.org



@CIF_action



ClFaction



ClFaction



ClFaction



ClFaction



@CIF_action