

First-round winners announced for climate action in cities

The City Finance Lab selects first five innovative financing solutions for climate mitigation and adaptation in cities in 2018

Zurich, Switzerland, 16 October 2018 - The **City Finance Lab (CFL)**, a joint venture between sustainability solutions provider **South Pole** and **Climate-KIC's Low Carbon City Lab (LoCaL)**, has selected the first round of winning proposals for innovative financing solutions targeting climate action projects in cities.

In the first half of 2018, the CFL conducted its first pilot, supporting the City of Bologna to develop their municipal carbon market, channelling private finance from industries in the region into municipal climate mitigation and adaptation projects.

"Considering that cities generate 70% of global emissions and only receive 15% of global climate finance, being able to better match financing solutions and cities will help accelerate the move towards climate-resilient urban centres," says **Hans-Peter Egler, Director Public Affairs, South Pole**.

Following a first public call for proposals on 14 June, the Committee of the CFL - a council of municipal finance experts from the European Bank for Reconstruction and Development (EBRD), Agence France Locale, Atkins, Climate Resilience Consulting and Climate-KIC - have chosen five solutions that will receive tailored technical advisory until the end of the year. The objective of this support is to implement and scale the final solutions in 2019. The innovative financing solutions cover a variety of climate action themes:

Integrating climate action projects into a city's Participatory Budget
by the Lisbon City Council (Portugal)

A self-assessment tool to measure climate-related risks for local governments
by Kommunalbanken Norway (Norway)

A natural capital-based investment fund to cover the core resources of Community Forests
by Community Forest Trust (United Kingdom)

Accelerating the replication of territorial development funds such as the "Paris Green Fund"
by the City of Paris (France)

An Energy Performance Contracting scheme to stimulate deep retrofitting of buildings in cities
by the National Energy Conservation Agency (Poland)

"Municipal finance differs substantially from sovereign finance and commercial finance. Not only in terms of creditworthiness, scale, and citizen relationships but also the regulatory and political environment. This is why it was so important for us to select financing solutions that are tailored to meet the distinct needs of cities," says **Sean Lockie, Director of Urban Transition, Climate-KIC and CFL Committee Member**.

In 2019, the CFL will share lessons learned from the supported initiatives through detailed "blueprints" that will be made publicly available to encourage the replication of the piloted solutions. The CFL will also engage in targeted capacity building activities to give cities the tools to implement such solutions. The long-term goal of the CFL is to expand its activities beyond the European continent to cities in other regions such as Latin America, Asia and Africa where the access to finance for cities remains an even greater challenge.

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Note to editors

Fact sheet on the first pilot project with the City of Bologna [here](#).

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About South Pole

South Pole is a leading provider of global sustainability financing solutions and services. The company has over 200 experts in 18 global offices and has worked with a wide range of public, private and civil society organisations for over a decade. The company's expertise covers project and technology finance, data and advisory on sustainability risks and opportunities, as well as the development of environmental commodities such as carbon credits or renewable energy credits. For more information, visit southpole.com or follow the company on Twitter: [@southpoleglobal](https://twitter.com/southpoleglobal).

About The Low Carbon City Lab

The Low Carbon City Lab (LoCaL) is a Climate-KIC Flagship programme addressing the current and future gap in access to finance for municipal authorities in both developed and developing economies. LoCaL aims to influence the global agenda to unlock climate finance for cities, mobilise cities and the financial sector to develop & implement bankable projects in cities, develop financial mechanisms dedicated to sustainable infrastructure projects and provide tools to better integrate environmental impact in urban infrastructure projects. For more information, visit LoCaL.Climate-Kic.org or [@ClimateKICLoCaL](https://twitter.com/ClimateKICLoCaL).