



## SESSION DESCRIPTION

# P2 Financing the Resilient City: Progress toward bottom-up finance approaches

## Strategy panel

**Date:** Saturday, 31 May 2014

**Time:** 9:00-11:00

**Rooms:** Plenary S29-32

**Language:** English

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## OBJECTIVE

Despite increasing awareness of rising adaptation costs, major challenges still hinder all actors involved in urban resilience financing. Innovative solutions are emerging to build capacity at the city and regional level to access and manage funding. However, continued improvement and collaboration across all levels is needed to encourage integrated projects that harmonize long-term urban resilience and development.

Climate change impacts and their associated costs, anticipated to be \$80-100 billion per year, will be borne primarily by urban areas. For this reason, financial mechanisms are needed which empower local governments and communities to drive their own resilience planning. In order to realize this goal, several core challenges must be addressed. These include:

- A shortage of local technical expertise to design, cost, and secure funding for integrated urban resilience measures.
- The disconnect between cities and the finance world. Cities and funders often do not understand each other's needs or language. In addition, there are few proven funding models and standardized bankability measurements for city-level projects. These factors make it difficult for local governments to market their projects to potential funders and investors.
- Limited financial infrastructure to channel funding to subnational levels – i.e. municipal credit ratings, city adaptation funds, etc.
- Limited opportunities for participatory procurement processes that are informed by and accountable to local communities and stakeholders.

Panelists will report on recent progress made by international institutions and local governments and communities to foster bottom-up financial approaches for urban adaptation and resilience. Mechanisms for directing capital flows to cities that match local needs as well as investor requirements will be discussed. Strategies for providing soft, capacity building investments and locally-controlled funds will also be presented. During the discussion, existing approaches will be analyzed to determine how well they address the core challenges listed above. Lastly, panelists will identify remaining gaps and immediate next steps.



## METHODOLOGY

- Introduction to the session topic and contributors. **(5 minutes)**
- Panelists' opening statements. **(8 x 5 minutes = 40 minutes)**
- Discussion of questions and challenges. **(55 minutes)**
- Speakers' conclusions. **(8 x 2 minutes = 16 minutes)**
- Closing remarks. **(4 minutes)**

### Guiding questions:

1. Since the 400ppm CO<sub>2</sub> threshold was passed one year ago, what progress has been made toward bottom-up adaptation financing and addressing the core challenges listed above? How are your institutions and communities responding? What best practice examples have emerged to guide future developments?
2. In addition to those presented, what other promising initiatives and practices have emerged?
3. How would you critically assess the work of your own organizations and the other examples discussed? Under which conditions are they most effective? What or who is missing? Which needs of cities are not being addressed?
4. What are the next steps needed to scale-up successful models and what bottlenecks have been identified?
5. What can you / your institution / your community commit to improve in the next year?

## CONTRIBUTORS

Facilitator	<i>Jeb Brugmann, Managing Partner, The Next Practice; Founder, ICLEI – Local Governments for Sustainability</i>
Panelist	<i>David Jackson, Director Local Development Finance Practice, United Nations Capital Development Fund (UNCDF), New York, USA</i>
Panelist	<i>Monali Ranade, Senior Environmental Specialist, World Bank, Washington, D.C., USA</i>
Panelist	<i>Sean Kidney, CEO, Climate Bonds Initiative, London, UK (tbc)</i>
Panelist	<i>Bryna Lipper, Vice President, 100 Resilient Cities, New York, USA</i>
Panelist	<i>Dianne Watts, Mayor, City of Surrey, Canada; Director, Metro Vancouver Board</i>



Panelist *Gino Van Begin, Secretary General, ICLEI-Local Governments for Sustainability*

Panelist *Daniel Wiener, CEO, ecos; Chairman, Global Infrastructure Basel (GIB), Switzerland*

Panelist *David Dodman, Senior Researcher, International Institute for Environment and Development (IIED), London, UK*

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**Background documents**

Financing the Resilient City: An ICLEI White Paper and Global Report (2011)

[http://resilient-cities.iclei.org/fileadmin/sites/resilient-cities/files/Images\\_and\\_logos/Resilience\\_Resource\\_Point/Report-Financing\\_Resilient\\_City-Final\\_www.pdf](http://resilient-cities.iclei.org/fileadmin/sites/resilient-cities/files/Images_and_logos/Resilience_Resource_Point/Report-Financing_Resilient_City-Final_www.pdf)<http://www.url.com>

Climate Change 2014: Impacts, Adaptation, and Vulnerability: IPCC Working Group II 5<sup>th</sup> Assessment Report, Chapter 8 Sections 8.4.2 and 8.4.3 (2014)

[http://ipcc-wg2.gov/AR5/images/uploads/WGIIAR5-Chap8\\_FGDall.pdf](http://ipcc-wg2.gov/AR5/images/uploads/WGIIAR5-Chap8_FGDall.pdf)

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