



CITY CLIMATE FINANCE GAP FUND

ABOUT THE TRUST FUND

The City Climate Finance Gap Fund, or Gap Fund, is an initiative implemented jointly by the World Bank and the European Investment Bank (EIB), in partnership with the German development agency Gesellschaft für internationale Zusammenarbeit (GIZ).

Cities are home to over half the global population and account for more than 70% of global CO₂ emissions. Creating low-carbon and resilient cities is key to achieving the Paris Agreement's goal of limiting the rise in global temperatures to below 1.5° Celsius above pre-industrial levels. However, many cities struggle to develop and finance urban climate projects because they lack the technical knowledge and resources. The Gap Fund helps cities in developing countries overcome these hurdles at an early stage by offering technical assistance.

Technical assistance grants from the EIB Gap Fund cover:

- skills development for cities' low-carbon and climate-resilient urban planning;
- conception of projects and pre-feasibility studies;
- review of cities' climate strategies and support in the prioritisation of investments;
- support in bridging other potential project preparation gaps.

ELIGIBILITY

This trust fund supports cities in low and middle-income countries included on the [OECD Development Assistance Committee's list of official development assistance recipients](#).

AREAS OF ACTION

Climate-smart urbanisation
Urban resilience and adaptation
Water and sewerage
Urban mobility
Energy-efficient and affordable housing



€80 MILLION in donor pledges to the Gap Fund initiative.
This includes €48 million under EIB management.

Close to 300 applications in the first three years of operation,
including 145 expressions of interest from cities screened by the EIB

35 CITIES supported (under EIB and GIZ management)

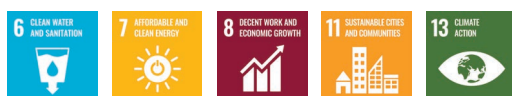
Since its creation in 2020, the Gap Fund has approved support for municipalities in Africa, Eastern and South-Eastern Europe, Asia, the Pacific, and Latin America (see page GAP 4). Projects and strategic plans supported by the Gap Fund serve as a blueprint for climate action projects in cities and countries worldwide.

The Gap Fund is actively seeking to cooperate with public and private partners to support the transformation of societies and the environment in a sustainable manner.

EXPECTED IMPACT

The City Climate Finance Gap Fund advances low-carbon, climate-resilient initiatives in urban areas across the globe. It helps improve liveability, air quality and health for city residents in developing countries, and the resilience of local communities and inclusion of vulnerable parts of society. This will also contribute to job creation.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



PROJECT HIGHLIGHTS

- **Dhaka, Bangladesh:** Dhaka's size and rapid growth has increased its exposure to flooding risks, which are expected to worsen with climate change. The Dhaka Urban Regeneration Project addresses these challenges via a range of measures, including adapting infrastructure to climate change, extending the network of green spaces and broadening the availability of sustainable mobility options. The Gap Fund will conduct a climate risk assessment to identify adaptation measures and develop guidelines for integrating climate considerations in the city's planning and development.
- **Zenata, Morocco:** Zenata is a new, integrated urban development near Casablanca, intended to accommodate about 300 000 inhabitants and 100 000 jobs by 2040. The project provides an opportunity to establish a sustainable model for urban development and city living in Morocco. The Gap Fund will help the city assess the technical and financial viability of various options for harnessing solar energy and make early-stage decisions on the scope and nature of investments needed in photovoltaic infrastructure.
- **Savusavu, Fiji:** Savusavu contends with the double risk of coastal erosion and rising sea levels. To address these challenges, the city plans to take measures that integrate marine conservation and coastal protection with opportunities for economic development. Potential measures would include the provision of new amenities such as foreshore walkways, possibly incorporating nature-based solutions. The Gap Fund will assess options for effectively mitigating the risks of erosion and rising sea levels. The technical assistance will also include some elements of technical design and will explore future scale-up and funding options.
- **Comayagua, Honduras:** Comayagua's portfolio of planned projects to mitigate the effects of climate change includes one supporting non-motorised transport in the old city centre. The proposed project comprises a street design in the historical centre that limits access to vehicles, makes the Comayagua shopping promenade pedestrian-only, improves pedestrian crossings at ten locations and provides parking facilities outside the city centre. The Gap Fund will help define the project area and supply preliminary designs for some of the investments.
- **Lagos, Nigeria:** As part of its Renewable Energy Plan, which aims to transition to solar energy and off-grid solutions, Lagos State plans to install solar photovoltaic panels in public schools and primary health centres in Ojodu, an underserved area with limited and unreliable grid access. The Gap Fund will undertake a preliminary cost-benefit analysis and evaluate the project's business model.



CITY CLIMATE FINANCE GAP FUND AT A GLANCE

**35
CITIES**
supported

€48 MILLION in donor funds committed to the EIB Gap Fund

€17.9 MILLION allocated to operations

OVERVIEW OF APPROVED TECHNICAL ASSISTANCE ASSIGNMENTS



* RAMCC is an Argentinian network of 251 municipalities tackling climate change in the country.

OUR DONORS

This trust fund was launched in 2020. Currently, its donors include **Germany** and **Luxembourg**.