



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



€105 MILLION in donor pledges to the Gap Fund initiative,
including €48 million under EIB management

463 APPLICATIONS in the four years of operation,
including 211 expressions of interest from cities screened by the EIB

60 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

- **Cuenca, Ecuador**, has experienced changes in the frequency and intensity of rainfall as a result of climate change. This has caused extreme floods and droughts and has affected the quality of available water resources. The Gap Fund helped the municipality to improve the management of its drinking water by strengthening the monitoring systems and generating climate and environmental data on the Yanuncay, Tomebamba, Culebrillas and Machángara river basins. In 2023, the city purchased four more monitoring stations based on the recommendations of the Gap Fund's technical assistance assignment.
- **Campinas, Brazil**, is improving its urban environment by developing linear parks (long, narrow parks that run along canals, rivers or streams) to expand the city's green areas. Campinas turned to the Gap Fund to get support for developing a catalogue of nature-based and landscaping solutions envisioned for the project. In 2023, the Gap Fund also developed a methodology for quantifying the environmental, economic and social benefits and risks of implementing nature-based solutions in linear and fluvial parks, as well as a preliminary design for a linear park along the Bandeirantes stream in Campinas.
- **Mbombela, South Africa**, has been battling with the effects of climate change for a long time. Communities in the region have been directly affected by the growing frequency and intensity of heatwaves, droughts, extreme rainfall and flooding incidents. The city of Mbombela was one of the first to be selected for Gap Fund support in 2021 to further develop its Transformative Riverine and Stormwater Management Programme. The Gap Fund's 11-month technical assistance assignment, now completed, focused on developing climate-resilient river and water management services using nature-based solutions.
- **Chefchaouen, Morocco**, produces around 36 tonnes of waste every day. Most of the waste is transported to a saturated and hazardous dumpsite near the city. Only about 1% of Chefchaouen's recyclable metal and plastic waste is recovered. With Gap Fund support, the city developed a modular and adaptable sustainable waste management and recovery system, which will be rolled out over 15 years. It includes community composters, waste collection points where waste will be separated, and a biowaste valorisation unit.



CITY CLIMATE FINANCE GAP FUND AT A GLANCE

60 CITIES
supported

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

€36 MILLION allocated to operations

OVERVIEW OF APPROVED TECHNICAL ASSISTANCE ASSIGNMENTS



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

** This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on Kosovo's declaration of independence.

OUR DONORS

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