As hubs of employment, trade and innovation, cities are the engines of our economic growth, accounting for over 80% of global GDP. By mid-century, more than 6 billion people – almost 70% of the world’s population – will live in urban areas, up from about 4 billion today. Yet cities already use more than two thirds of the world’s resources and energy, accounting for over 70% of carbon dioxide emissions. As cities continue to grow, so will these numbers.

The future of our planet depends on how we manage urban development. The biggest contributors to climate change, cities are also among the areas most at risk, and thus have the most to gain from going green. With 90% of the world’s urban areas on coastlines and at risk from rising sea levels, significant work is needed to protect the bulk of the world’s population from these and other climate-related threats. Cities are where spending on climate action will have the biggest impact. Making cities more connected and coordinated around green policies could yield economic savings of up to $17 trillion by 2050.

The EIB, as the EU bank, offers a range of financial instruments to promote sustainable development in European cities, including multi-sector urban framework loans and advisory instruments, such as Urban Investment Support (URBIS), a dedicated platform within the European Investment Advisory Hub. Another example is the Financing Energy for Low-carbon Investment – Cities Advisory Facility (FELICITY), a joint initiative with the German Government providing advisory services to cities in Brazil, Indonesia, China and Mexico.

In November 2019, the EIB Board of Directors approved a new roadmap for climate action and environmental sustainability. It includes three key elements: The EIB Group will aim to support €1 trillion of investments in climate action and environmental sustainability in the critical decade from 2021 to 2030. The EIB will gradually increase the share of its financing dedicated to climate action and environmental sustainability to reach 50% of its operations in 2025 and from then on. The EIB Group will align all its financing activities with the principles and goals of the Paris Agreement by the end of 2020. Furthermore, the Board of Directors approved a new ambitious Energy Lending Policy that will accelerate investments in clean energy innovation, energy efficiency and renewables. Importantly, under this new policy the EIB will no longer consider new financing for unabated, fossil fuel energy projects, including gas, from the end of 2021 onwards.

€50 million for the triennial investment programme of the Municipality of Bologna in the fields of sustainable transport, social housing and public spaces.
FACTS AND FIGURES
Ever at the forefront of the fight against the climate emergency, the EIB has consistently been championing European climate leadership. Since 2012, we have provided €150 billion of finance supporting €550 billion of investment in climate action and environmental sustainability, making the EIB one of the world’s largest multilateral providers of finance for projects underpinning these objectives. In 2015, we pledged to provide $100 billion for climate action projects over the five-year period to 2020, and we are on track to meet this goal.

In 2018 alone, the EIB invested €20.9 billion in urban projects, of which €6.9 billion was dedicated to climate action. This contributed to:

- 290 million additional passenger trips that could be made on EIB-financed transport projects;
- 10 million people benefiting from improved sanitation;
- 1.7 million people facing reduced flooding risk.

The EIB has a strong track record of supporting climate action in cities in Europe and around the world, and has extended its partnerships in this area with a new global initiative: the Global Climate City Challenge. The Challenge, a joint initiative with the Global Covenant of Mayors, not only offers cities support to improve the bankability of proposed climate projects, but also offers financing and help to crowd in finance from other sources. This initiative will create jobs, while cutting energy bills, improving air quality, managing waste and wastewater and increasing resilience. The City Challenge has received 145 proposals from more than 100 cities. We have now narrowed the proposals down to a shortlist of 20 with a total investment potential of €1.4 billion.

The EIB also is a partner in Leadership for Urban Climate Investment (LUCI), one of the transformative initiatives of the 2019 UN Climate Action Summit. It will accelerate, upscale and leverage climate finance for cities in low- and middle-income countries as a strategic priority. The initiative aims at strengthening the capacity of 2,000 cities in project preparation, creating 1,000 bankable climate-smart urban projects, linking 1,000 of such projects to finance by 2030, and creating new, innovative financing mechanisms utilised by 100 projects until 2025.

INITIATIVES

FELICITY
Cities face significant barriers in preparing bankable projects, securing finance and implementing such projects. To address these challenges, the Financing Energy for Low-carbon Investment – Cities Advisory Facility (FELICITY) provides advisory services and capacity building tailored to the needs of municipalities and financial intermediaries in Brazil, Indonesia, China and Mexico.

More information online

URBIS
URBIS is a dedicated urban investment advisory platform within the European Investment Advisory Hub (EIAH). URBIS provides advisory support to urban authorities to facilitate, accelerate and unlock urban investment projects. URBIS was developed in a partnership between the European Commission (DG REGIO) and the EIB and in support of the objectives defined in the EU Urban Agenda.

More information online
PROJECT HIGHLIGHTS

Athens, Greece
Athens unlocked urban regeneration and ensured that climate risks are better managed thanks to a €55 million EIB loan. Through this loan, the Greek capital will also support projects to upgrade historic public buildings, improve education and health facilities and address climate change challenges.

More information online

Bologna, Italy
An EIB framework loan enabled Bologna to build a new school accommodating 225 children near their homes. Based on a resilient design, this school is earthquake-resistant and enjoys an A+ energy saving rating. Through the loan, the city was also able to renovate the famous medieval roadside porticos and a number of municipal buildings, roads and squares.

More information online

Zenata, Morocco
The EIB has provided a €150 million loan, combined with another €150 million from Agence Française de Développement (AFD), to help tackle Morocco’s uncontrolled urbanisation by developing what is essentially a new town. The aim is to create 100 000 jobs and house 300 000 residents in 30 years.

More information online

RESOURCES

VIDEOS

- Working for sustainable cities
- Making circularity part of everything we do
- How the Advisory Hub helps cities become circular
- The transition to circular cities
- 20 cities for climate action: the Global Climate City Challenge
- The Global Climate City Challenge: Cotonou, Benin

BLOGS AND ESSAYS

- Climate solutions: The city as a sponge
- The EIB in the city: Investment on the agenda
- City transformed
- The Bank in the city
- Common ground
- Athens bets on green infrastructure and biodiversity

PUBLICATIONS AND WEB RESOURCES

- The EU Urban Agenda Toolbox
- Take the metro to sustainable urban development
- EIB Urban Development
- EIB Climate Action
EIB investing in sustainable cities

In 2018, the EIB invested €20.9 billion in urban projects, 33% dedicated to climate action.

- 10 million people with improved sanitation
- 1.7 million people facing reduced flooding risk

enabling 290 million additional passenger trips

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This overview, with links to stories, brochures and videos, is available at:
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