City Resilience Program

PROGRAM BRIEF

July 2019
Rationale for the City Resilience Program

Climate change, from droughts and floods to landslides and rising sea levels, threatens us all. With each passing year, the risks of unabated climate change are mounting. Our rapidly expanding cities, home to billions of people, are on the frontline. The World Bank Group’s City Resilience Program (CRP) is striving to support investments of up to $100 billion, in coalition with financial institutions and investors, to help cities build sustainably.

Today, more than half of the world’s population live in urban areas. Cities account for more than 70% of CO2 emissions and consume more than two-thirds of the world’s energy. By 2050, almost seven out of ten people will be urban dwellers, making cities vulnerable to the impact of climate change as they expand along rivers, coastlines and floodplains. Urbanization is putting unprecedented pressure on housing, transport, education and health care as more people move to cities like Cairo, Mumbai, Beijing, Dhaka and Mexico City.

To combat climate change we need to act together and invest together. The goal of the CRP is to raise this finance in partnership with public and private institutions. The money raised will be used to help cities make smarter investments to build urban resilience. It will also help countries meet their Paris Agreement commitments to curb the rise in global temperatures to below 2 degrees Celsius above pre-industrial levels by the end of the century.

The CRP mission is to build a global coalition of financial institutions and investors, including multilateral development banks, international financial institutions, private and institutional investors and commercial banks, to invest in climate-proofing our cities for the future.

We strive to secure bigger and better investments for cities. The capital we help to raise is crucial to ensure they can stave off the threat of future climate shocks and natural disasters. Lives and livelihoods depend on it. Bold and decisive action – and financing - is needed.

Our approach in helping cities to access financing for urban resilience is unique. First, we help cities build more sustainably by harnessing state-of-the-art geospatial technologies to scan for climate and disaster risks. The scanning process breaks the silos of sectors and considers resilience through a holistic lens. Then we offer tailored financial advice and support for cities to develop investment plans that channel public and private funds to the major infrastructure projects needed to secure the future of cities around the world.

https://www.gfdrr.org/en/city-resilience-program
The fierce urgency of now

Time is running out to future-proof our cities to withstand natural disasters and climate shocks. To safeguard the lives and livelihoods of two-thirds of the world’s population living in urban areas by 2050, the world needs to raise trillions of dollars to invest in resilient infrastructure, from roads and bridges to flood defenses.

Given the urgency to raise climate finance, we aim to help fast-track a city’s drive to raise finance for key resilience projects, while improving the way cities plan and invest.

We launched our initiative in 2017 at the Paris One Planet Summit and expect to have 85 cities on board by the end of 2019. We have already influenced 20 projects totaling over $2.2 billion of World Bank lending. We work with cities in Asia, Africa and Latin America, including Can Tho, Accra, Bamako, Casablanca, Medellin, Nairobi, Kinshasa, Freetown, Medellin, Kigali and Ulaanbaatar, among others.

This is just the start. In addition to an expected $2-3 billion annual investment by the World Bank in urban resilience, other international financial institutions (IFIs), bilateral donors and foundations are rallying to the cause by investing in city-level projects and providing technical assistance support through CRP to city governments. The CRP uses these targeted public investments to leverage further investment by the private sector through land value capture and similar mechanisms, often greatly increasing the impact of the public investment.

Breaking down CRP engagements

The CRP has built a diverse ecosystem of technical support that brings together the broad range of sectoral expertise at the World Bank Group to integrate climate and disaster risk scenarios into cities’ upstream planning. The approach used by the CRP represents a fundamental shift in how cities can be supported to tackle their most pressing development challenges - from one focused on sectoral priorities to one focused on integrated and spatially-informed priorities that capture the interplay between the natural and built environments.

A more ambitious resilience and climate smart holistic approach brings its own financing challenges for cities. Support from the CRP aligns with the World Bank’s Maximizing Finance for Development campaign to ensure that all financing options are considered, and opportunities that may be attractive to other IFIs or private sector investment are fully explored. In that sense, the CRP works as the investment banker to cities, helping to boost the bankability of projects and catalyze the flow of financial resources to emerging markets.

To this end, the CRP offers two programmatic services through which cities can engage: Resilience Enhancement and Capital Mobilization, described in more details below.

Resilience Enhancement

The CRP commences its engagements with each city in the Resilience Enhancement Track by producing a City Scan. The City Scan contains a series of maps, visualizations and analyses that describe key resilience challenges and provide a starting point for discussing solutions during a subsequent Resilience Investment Planning Workshop.
The Resilience Investment Planning Workshop is a one-week workshop that invites a broad range of specialists from both internal World Bank technical teams and external high-tech and financial advisory firms to help cities package, prioritize and design resilience-enhancing investments.

Following the Resilience Investment Planning Workshop, technical support from the CRP to cities continues through the project cycle, embedding technical and financial expertise as cities move from concept, to design, to implementation. The goal is to ensure that from the outset any investment program is risk-informed and considers natural hazards and climate change.

Capital Mobilization

The CRP commences its engagements with each city in its Capital Mobilization Track by producing a Rapid Capital Assessment, which outlines the underlying conditions and enabling environment for mobilizing additional sources of financing from commercial sources, Public-Private Partnerships (PPP), or Land-Value Capture (LVC). As part of the capital mobilization track, cities participate in a one-week Financial Solutions Marketplace where they develop and refine viable transaction options for city resilience with private capital experts and financial advisors.

As a next step, cities with an amenable enabling environment and sufficiently developed investment concepts receive dedicated financial advisory services to help with project prioritization, market sounding and pitching, valuation, financial modeling and a review of potential regulatory gridlocks. Where applicable, the CRP also expands the application of risk-mitigation tools such as guarantees to provide incentives for private sector participation.

Global Engagement & Partnership

CRP has engaged with 82 cities spanning all World Bank regions, where it has influenced 20 ongoing and future projects totaling over $2.2 billion of World Bank lending. Work is continuing with those cities already engaged, and an additional 25 new cities are being brought into the program in 2019.

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Partnership

The CRP is generously supported by contributions from the Swiss Confederation State Secretariat for Economic Affairs (SECO), the Republic of Austria, and the Global Facility for Disaster Reduction and Recovery (GFDRR).

The CRP has also developed a strong partnership with the Spanish Agency for International Development Cooperation (AECID) in support of the EU's External Investment Plan to source, de-risk and execute transactions in Sub-Saharan Africa. Within the World Bank Group, the CRP works with more than 20 technical teams that provides the diverse range of expertise required on its resilience enhancement track. On its capital mobilization track, the CRP works closely with the Infrastructure Finance, PPPs and Guarantees Practice, the International Finance Corporation, and many others.

Join us in our mission to build a resilient future for cities!

For more information: https://www.gfdrr.org/en/crp