



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.

A special challenge exists in Africa where the population is growing and moving to cities at a high rate. This increases the demands on public services and infrastructure for the cities of today and tomorrow. Cities face huge shortfalls in funding to serve these new populations. Two-thirds of the investment in urban infrastructure that Africa needs by 2050 has not been provided yet. The public and private sectors will have to work hard to fill this gap.

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 many of the world’s urban areas on coastlines and at risk from rising sea levels, significant work is needed to protect cities 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.

Cities will play a **major role in delivering on the European Green Deal**. The EIB, as the EU bank, can support in particular Green Deal priorities in the circular economy, fostering renovation, biodiversity, sustainable mobility, zero pollution and just transition. The EIB 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. An example for our activities outside the European Union 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.



Climate Action in Cities

OVERVIEW

2020

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.

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 **€170 billion** of finance supporting over **€600 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 2019 alone, the EIB invested **€19.7 billion** in urban projects, of which **€7.8 billion** was direct lending dedicated to climate action. This contributed to:

- **631 million additional passenger trips that could be made on EIB-financed transport projects;**
- **11.5 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. At the UN Climate Change COP25, five frontrunner cities were selected for their ambitious and potentially transformative urban climate projects that could receive technical support from the EIB to get their projects off the ground.

[More information online](#)

The EIB is also 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** such projects to finance by 2030, and creating new, innovative financing mechanisms that will be 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](#)

The European Local Energy Assistance facility (ELENA)

The ELENA facility is run by the EIB on behalf of the European Commission. It helps the public and private sector implement energy efficiency, renewable energy and sustainable transport investment projects, thus reducing greenhouse gas emissions. The ELENA facility promotes innovative solutions in energy efficiency and accelerates investments by building experience, facilitating financing and overcoming barriers.

[More information online](#)

The EIB Circular Economy Guide - Supporting the circular transition

The Guide aims to promote a common understanding of circular economy, and raise awareness about and promote circular solutions. It provides information about the EIB's lending and advisory

activities in this field, and communicates our vision of how the EIB can further support the transition to a circular economy. The Guide is a living document that will be updated in response to our evolving understanding of circular economy needs, opportunities and risks, and growing experience with the appraisal and financing of circular economy projects.

[More information online](#)

The City Climate Finance Gap Fund

The Gap Fund paves the way for cities to deliver ambitious infrastructure development for low-carbon, resilient and liveable cities. It provides technical assistance for early-stage planning and project preparation. It unlocks a pipeline of financially viable urban investments that contribute to local transformation, global climate goals and green recovery. The Gap Fund was announced at the United Nations Climate Action Summit 2019 and was launched in September 2020. It is funded by Germany and Luxembourg and implemented by the World Bank and the European Investment Bank.

[More information online](#)



Athens, Greece

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 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](#)

Warsaw, Poland

The EIB financed one of the cleanest European bus fleets in Warsaw. The project was supported with a €95 million loan and involves buying 130 low-floor, electric, zero-emission buses, as well as a further 270 low-emission buses. In addition, the EIB is helping cities in their urban development to become greener. For example, by supporting energy-efficient trams in Krakow and Silesia and providing funding for urban revitalisation programmes across Poland.

[More information online](#)

Kisumu, Kenya

An estimated 500 000 people living in Kenya's third largest city, Kisumu, will benefit from a €70 million water and sanitation investment programme to be implemented over the next five years, which will be financed by the EIB, the European Union and Agence française de développement (AFD).

[More information online](#)



Antananarivo, Madagascar

The EIB agreed to provide €35 million for an upgrade to water supply services in Antananarivo, Madagascar. The project will benefit 1.4 million people currently connected to the network, and will see 850 000 additional residents of the city get new connections.

[More information online](#)



€50 million for the triennial investment programme of the Municipality of Bologna in the fields of sustainable transport, social housing and public spaces

Pune, India

The EIB will invest €600 million in the construction of two new lines of the metro rail system and the acquisition of 102 modern metro cars in the city of Pune, India. The new metro rail system will reduce the commute time for more than three million people living in the city. This is the fourth EIB investment in metro rail systems in India; to date the EU bank has supported metro rail systems in Bhopal, Bangalore and Lucknow.

[More information online](#)

Kigali, Rwanda

Thousands of people living in the Rwandan capital Kigali will benefit from the country's first wastewater treatment plant and public sewerage network supported by the largest ever EIB loan in the country. The EIB provided a €45 million loan to finance transformational improvement of sanitation infrastructure in the city.

[More information online](#)



EIB supports the sustainable development of Krakow, the second largest city in Poland



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](#)
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BLOGS AND ESSAYS

- [Climate solutions: The city as a sponge](#)
 - [City transformed](#)
 - [The Bank in the city](#)
 - [Common ground](#)
 - [Athens bets on green infrastructure and biodiversity](#)
 - [Urban climate solutions for Latin America and Asia](#)
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PUBLICATIONS AND WEB RESOURCES

- [The EU Urban Agenda Toolbox](#)
- [Take the metro to sustainable urban development](#)
- [The story of your city](#)
- [EIB Urban Development](#)
- [EIB Climate Action](#)
- [Circular City Funding Guide](#)
- [The 15 circular steps for cities](#)



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