



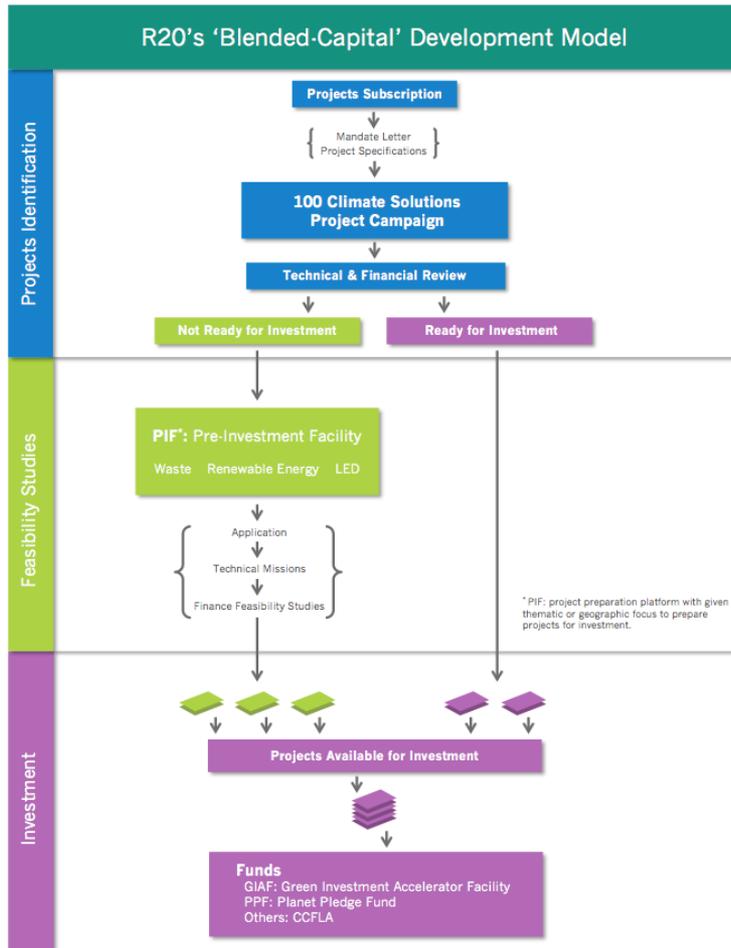
REGIONS OF  
CLIMATE ACTION

# Scaling-up and accelerating green infrastructure project finance for sub national authorities

*For climate and sustainable development impact*



# R20 Regions of Climate Action – Our value chain



↕ = Coordination, but independent decision-making

- Identify projects
- Support project development
- Arrange financing of projects

**We work 'value chains' to Identify / develop / finance projects**

# Identify Projects – the 100 Projects Campaign

- Aim: Identify 100 promising green infrastructure projects (waste, energy, LED..)
- Working with international partners and networks
- **Outcome: In 3 months, identified more than 600 projects, 400 published**  
<http://regions20.org>
- R20 has dramatically scale up its members: now more than 500 cities and regions affiliated to R20, in addition to liaise and serve ICLEI's, ARE's, ORU FOGAR's, SALGA's members ...
- **Lessons:**
  - Importance of **sub-national government in identification (and implementation)**
  - **Huge potential for investors**
  - **Projects need support to be bankable**



# Identify Projects – Executive Masters degree for Municipalities

- R20 and Ecole des Mines de St Etienne, French Ivy League engineering school
- Train Municipal Executives how to identify potential projects and to oversee processes of development and financing of projects
- Students must bring a potential project with them



- **Local support assured through partnerships with national universities**
- **Degree accredited with the European Union**
- **First cohort of students started in September in Algeria and France**
- **R20 will open its own Academic Chair for other Masters**

# Working in association with the Inter Development Bank Infrastructure Support System: on Line Help

## Private Sector

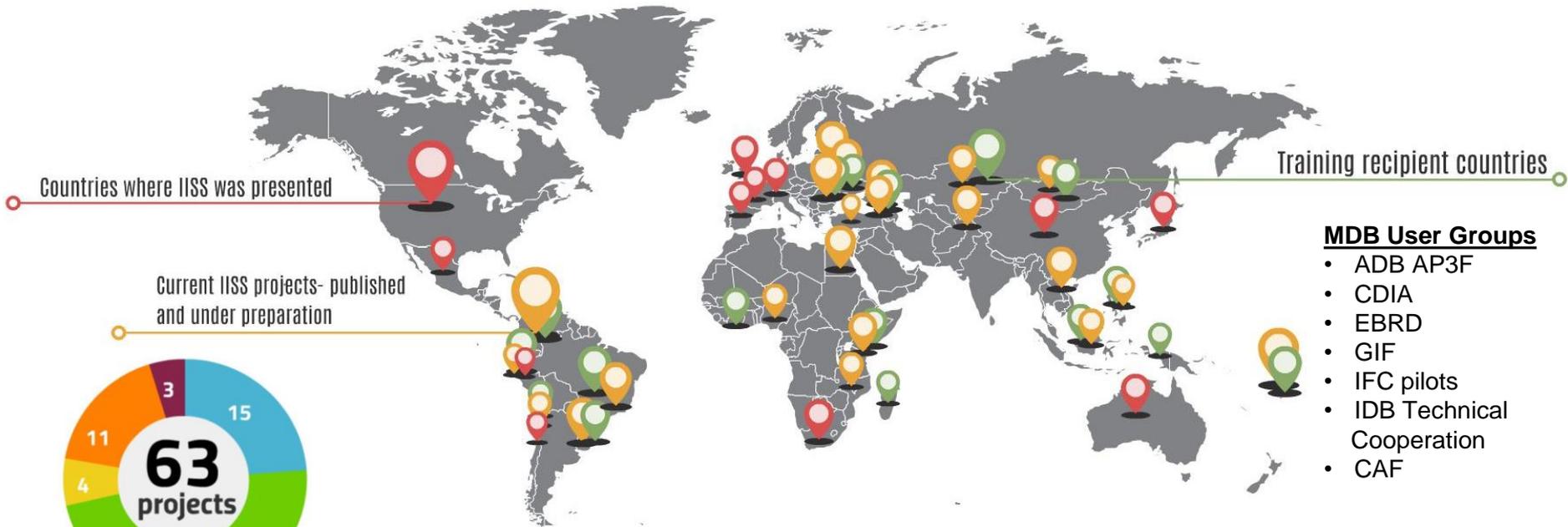


## Global Organizations



## Advisory Committee

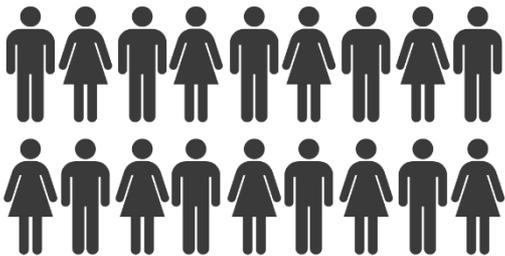




● Social Infrastructure 
 ● Transport  
● Energy 
 ● Water and Sanitation  
● Urban Services

## Active users

Over 449 Active users from 25 governments

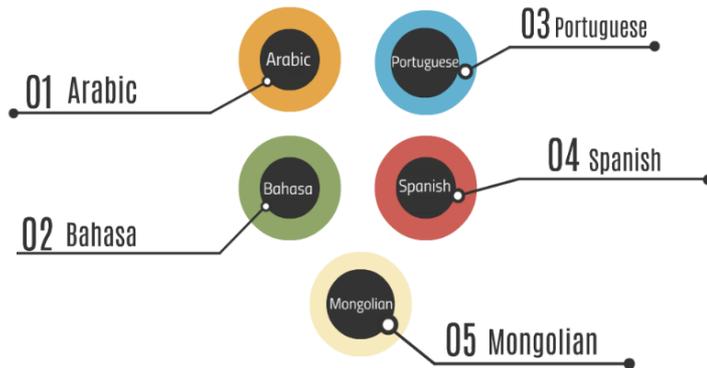


## Templates

| Total                  | 35 | 2,563 | 38 | 208 | 4,613 |
|------------------------|----|-------|----|-----|-------|
| December 2016          | 0  | 0     | 0  | +10 | +289  |
| November 2016          | +2 | +160  | 0  | +25 | +130  |
| October 2016           | 0  | 0     | 0  | +15 | +319  |
| September 2016         | +1 | 0     | +3 | +10 | 0     |
| August 2016            | 0  | +68   | +1 | +9  | +188  |
| January 2015-July 2016 | 32 | 2,335 | 34 | 139 | 3,687 |

● New Templates completed and uploaded  
● New questions uploaded  
● New template requests  
● New reviewers  
● New comments received

## Translations



# CCFLA' mission and network



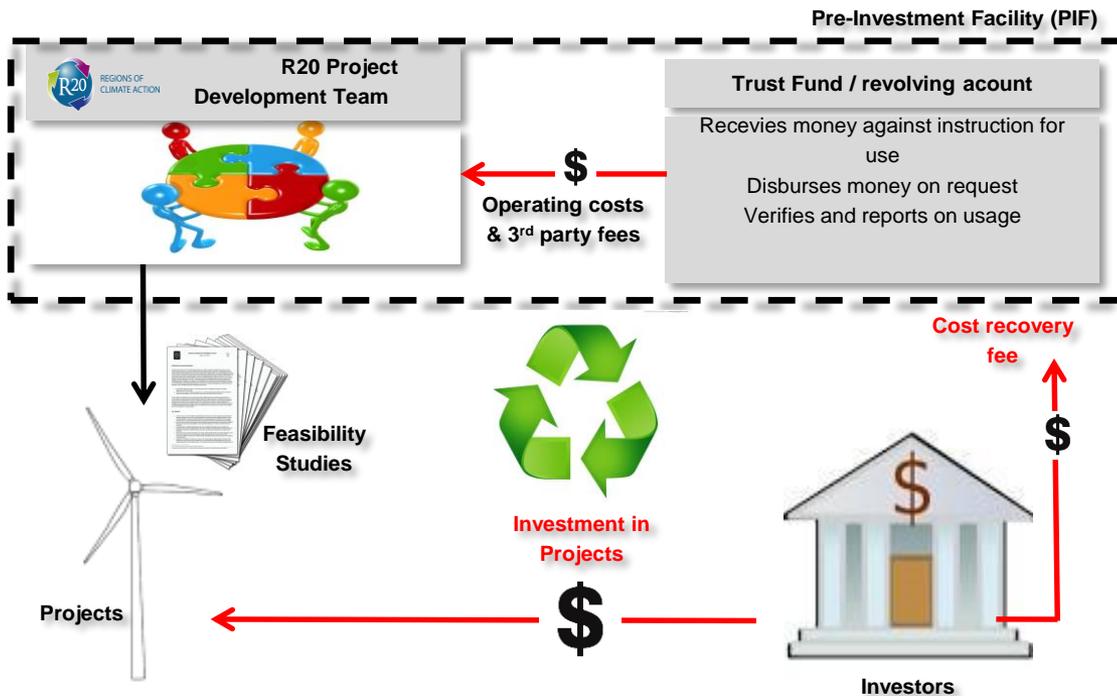
Solving the climate finance gap will require the coordinated action of a multitude of different actors, working in awareness of the impact that the work of each can have on the effectiveness of others in accelerating the flow of climate finance.

In late 2014, Ban Ki Moon created Cities Climate Finance Leadership Alliance (CCFLA), in order to promote understanding by the collective of the importance of investors in helping the deliver results and to stimulate cooperation and coordinated action to accelerate the flow of climate finance. Today the CCFLA is an alliance of some 46 organizations from the financial and business sectors, NGOs and networks of subnational governments.

**In 2016, R20 Regions of Climate Action was elected to lead the Secretariat of the CCFLA,** partnering with three other organizations, FMDV, UNDP and UNEP.



# Support project development – Project Preparation Platforms (PPFs)



## Stage TWO of value chain,

- Distinct legal entity
- Behave like an investor (select and reject at different stages of the 'funnel')
- Self-funding: remunerate on success-fee (municipality does not pay)

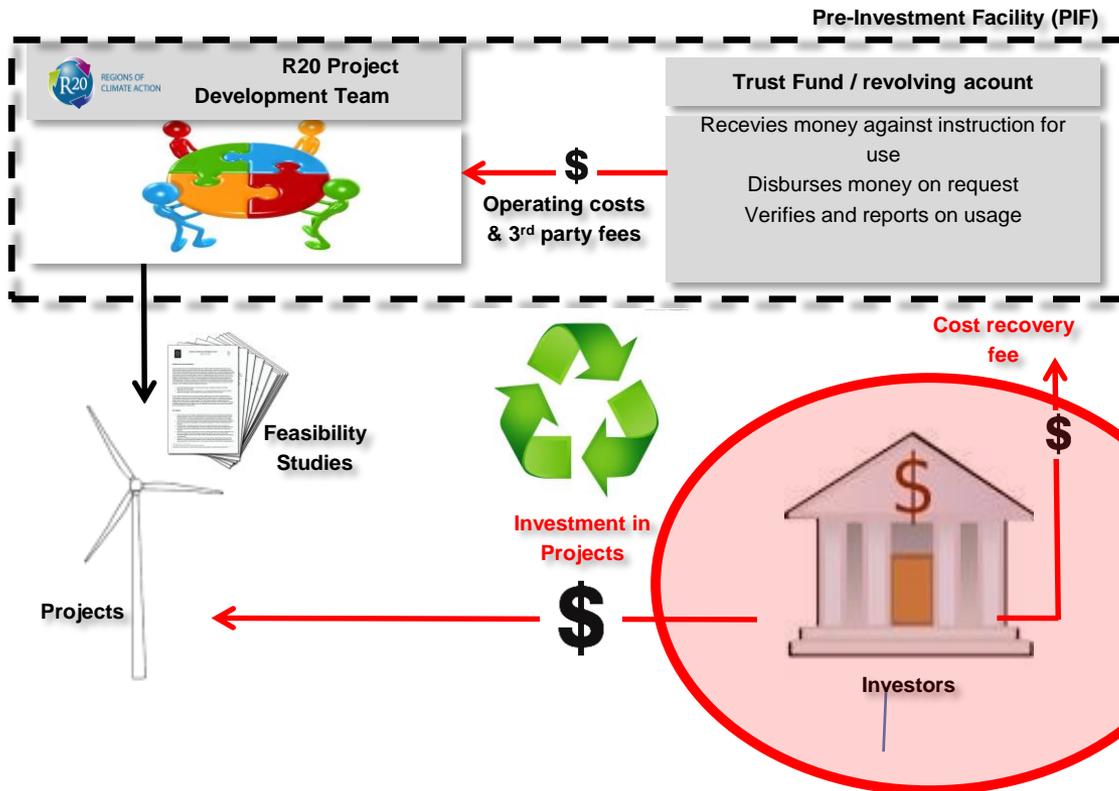
**In order to fine tune support, in addition to IISS, we are launching and structuring dedicated PPFs for specific areas (technology and geographies:**

- We are launching: a PPF for waste management, in partnership with multinational Egis, a subsidiary of the Caisse des Dépôts et Consignations (CDC)
- We are structuring: PPFs in Renewable energy, and LED city lighting
- At COP22, 15 organisations asked us to create PPFs

# Arrange Financing – Creating an investment fund

1

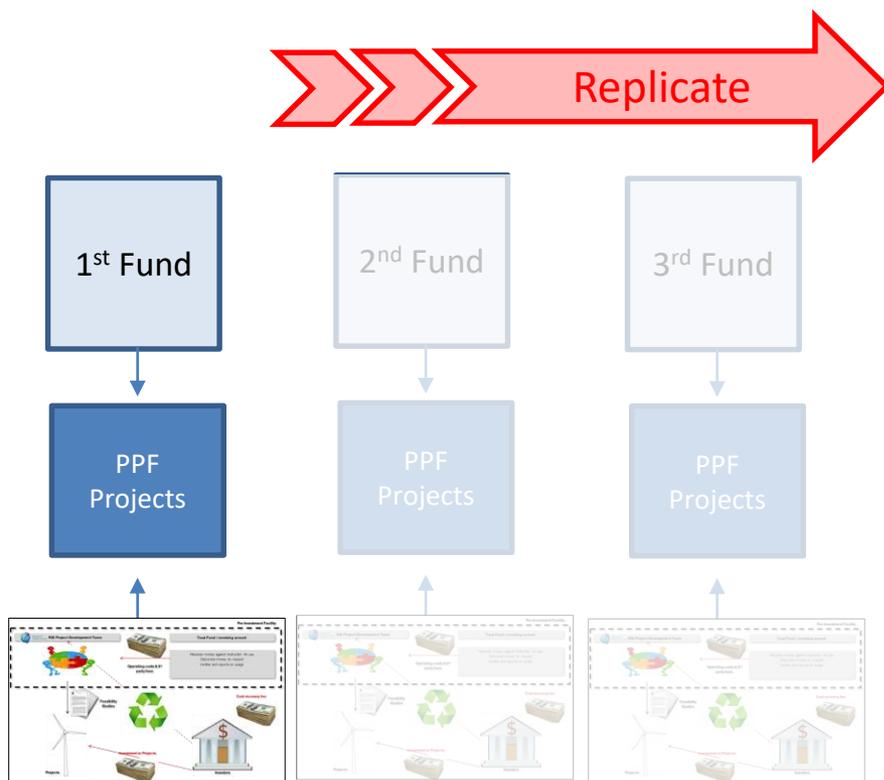
- PPFs help develop projects through IISS
- Investment fund invests in the projects



- Partner with a best-in-class fund manager
- Create a first US\$ 300 million equity fund
- Competitive advantage = first access to projects developed by the PPFs
- Fund scope:
  - Africa and Eastern Europe
  - Waste, Renewable Energy & LED city lighting

2

- Define investor preferences (geography, theme, technology etc)
- Replicate approach: PPFs and investment funds to invest in projects

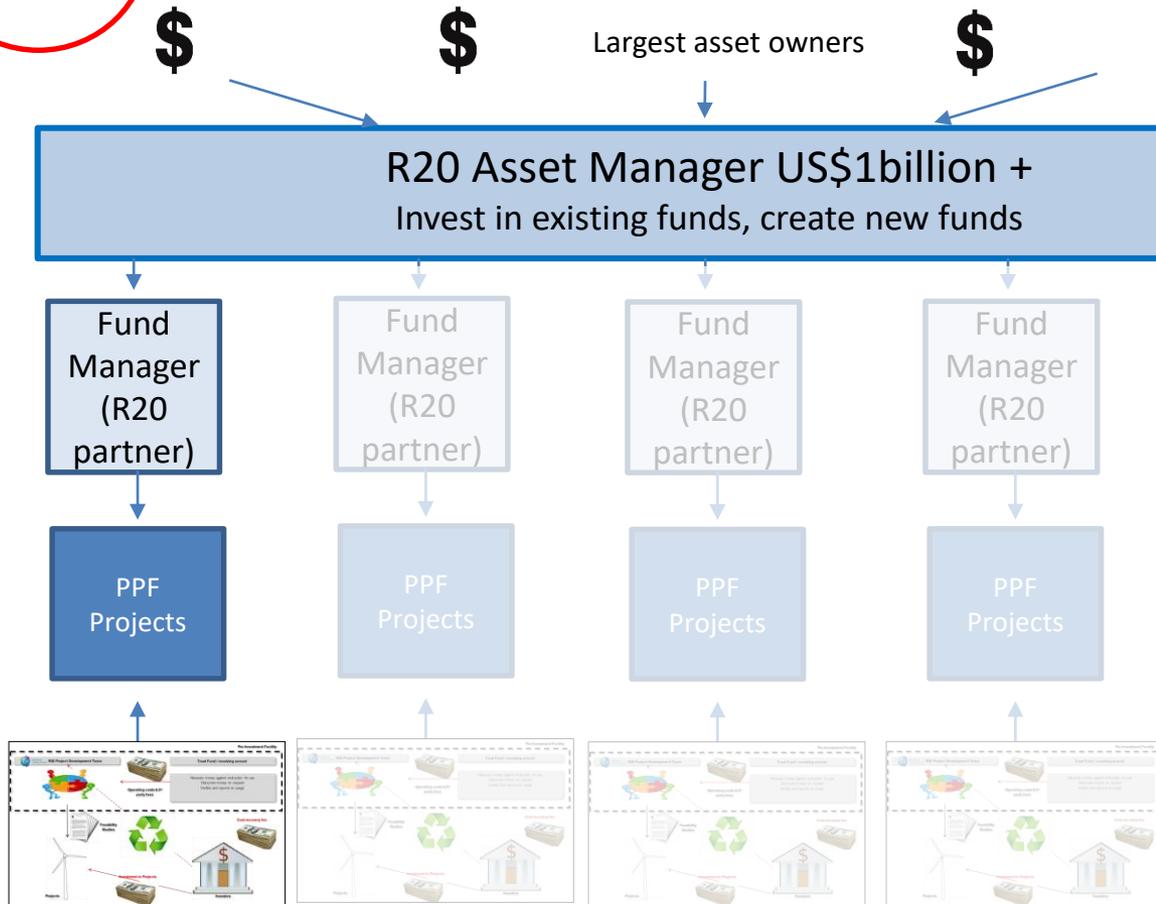


- More PPFs (by geography / technology / theme)
- More funds (best fund manager teams suited to the PPF project types)

# Arrange Financing – Next step, **accelerate**

3

- Create an Asset Manager to address needs of biggest investors (US\$ 200m+)
- Develop PPFs and develop and invest in funds that deliver investor needs



### Faster & more efficient:

- Design and develop PPFs and funds at the same at the same time
- Profits used to create more PPFs, faster (by geography / technology / theme)
- Create funds matching investor needs much, faster

# Associated to the Planet Pledge Fund

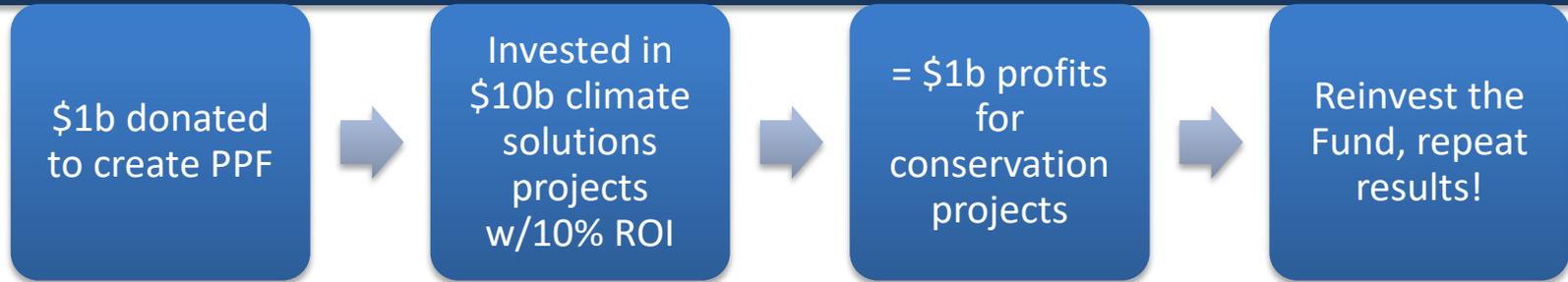
## **The Planet Pledge Fund (PPF) will be:**

- **a coalition of philanthropists** who pool their resources for...
- **\$1billion fund** invested in \$10 billion of clean development projects that **mitigate climate change and...**
- **generate \$1billion of profits** used **for conservation** of endangered habitat and species, led by...
- **world-leading experts in science, policy, finance, and community development** from UN agencies, NGOs, and foundations to identify and implement the most viable and “quick win” projects worldwide.



2/3/2017

# How PPF works



*The PPF goes far beyond other philanthropic models* in its benefits for the environment in three basic steps:

1. *Donors contribute to the PPF* (initial target USD\$1billion).
2. *The PPF invests, among others in R20 portfolio commercial-scale “green” development projects* (large scale solar and wind energy generation; city-level energy efficiency retrofits; conversion of waste to valuable products; etc) that measurably reduce greenhouse gases; return the capital every 4 years for reinvestment; and yield a net annual return on investment (ROI) of 10%.
3. *Profits are then paid to the Foundation for conservation* grantmaking, advocacy, acquisitions, and other measures to protect habitat and species.

*That equals \$100 million/year (or \$1billion in ten years) for vital conservation projects in perpetuity from a Fund that builds \$10b (every ten years) of climate solutions projects.*