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TOWN TWINNING BETWEEN TÜRKİYE AND EU - II FOR A GREEN FUTURE

ROADMAP FOR CLIMATE FINANCE IN LOCAL GOVERNMENTS

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26 November/ Kasım 2024

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1. The TT-II Project

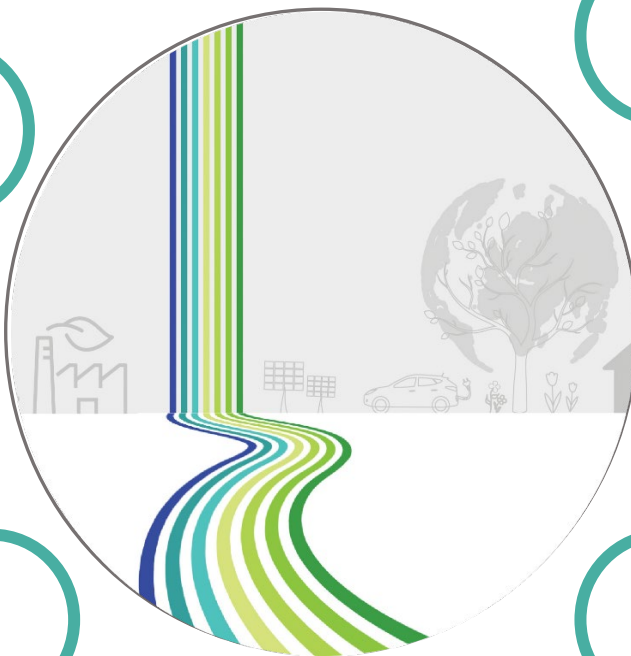
2. Why do local governments need a climate finance roadmap?

3. How can the local governments develop a successful climate finance plan?

4. Climate adaptation and Climate mitigation nexus, and climate investing

5. Reaching out to Climate Funding

6. Future Proofing Your Climate Resilient City





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1. The TT-II Project

- The technical assistance project “**Town Twinning Between Türkiye and the EU – Phase II – For a Green Future**” aims to enhance the dialogue between Turkish and EU local authorities; and to strengthen the capacities of local authorities to carry out climate and environment based actions.
- Output 5 of the project is defined in Terms of Reference as:

A climate financing roadmap to provide guidance for further financing opportunities will be prepared and published.





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1. The TT-II Project

One of the most significant outputs of the TT-II project is

“The Climate Finance Roadmap for Local Governments”

based on the needs of municipalities/local governments, and prepared as part of a participatory approach through interactive thematic workshops organised back in Spring 2024 in different cities with relevant stakeholders.





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2. Why do local governments need a climate finance roadmap?

Insufficient national
commitment to urban
climate change actions

Need for improved
climate action planning

Need for capacity
development in funding
and implementing
climate finance actions
in the cities

Lack of required
enabling environment

Inability to maximize
capital mobilization for
climate actions

Prioritization and
monitoring of impactful
investments





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2. Why do local governments need a climate finance roadmap?

- **Cities are major stakeholder for climate actions because this is where climate mitigation and adaptation agendas intersect.**
- The desire to equip cities to minimize the climate related risks and developing climate resilient living spaces is thus increasing every day. For example, at global scale, roughly **1.81 billion people face climate change related existential risks** such as floods, wildfires, etc. Cities are more and more becoming high-risk flood zones. The risk increases even further in the densely populated and rapidly urbanizing river plains and coastlines in the developing countries.
- Neither EU member states nor Türkiye are free from such risks.
- This underlines further what is perceived as the most important requirement to combat the adverse effects of climate change; financing the climate actions in cities well on time and in an effective way.





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2. Why do local governments need a climate finance roadmap?

Cities Are the Cause and the Solution



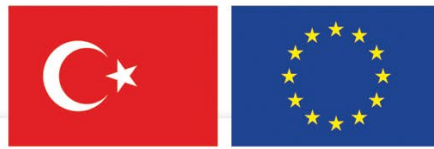
55%
of the global population
lives in cities.



75%
of global greenhouse gas
emissions derive from cities.



70%
of cities are already dealing
with the effects of climate change, and
nearly all are at risk.



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2. Why do local governments need a climate finance roadmap?

- Defining the challenges and facing risks and vulnerabilities is the first step, and the second step is a robust climate action planning despite all these challenges coupled with an accompanying climate change financing strategy and plan for the local governments.
- Given that urban climate adaptation finance along has increased with USD 3 billion from USD 7 billion to USD 10 billion within approximately a year underlines the clear need for urgent planning for climate financing.
- The estimation of an average USD 6 trillion requirement until 2050 for climate mitigation also speaks for itself.
- This means climate adaptation financing for cities is becoming more competitive in terms of acquisition of the required climate finance, therefore, there is a strong necessity to be well-prepared for this increasingly accelerating competition for limited financial resources.





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2. Why do local governments need a climate finance roadmap?

- Sustainable Energy and Climate Action Plans (SECAP) are about situation analysis, risk and vulnerability analysis and future planning.
- Implementation is equally important.
- Climate Financing Plan is the *sine-qua-non* of implementation.
- How to prepare and implement a Climate Financing Plan is where the prepared Roadmap comes in together with the available financing / funding options for the cities.



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3. How can the local governments develop a successful climate finance plan?

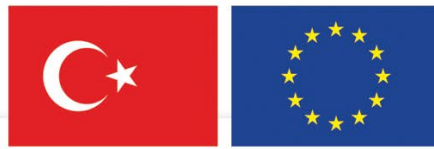
- A **climate finance plan** serves as a guiding tool for relevant stakeholders such as local governments in developing, prioritizing, and implementing actions aimed at addressing barriers and leveraging opportunities for enhanced climate finance.
- **To create an effective climate finance plan**, it is essential to consider three key components:
 - A. **Situational Assessment:** an assessment of the current state of readiness for climate finance in a given region or city.
 - B. **Barriers and Proposed Climate Actions:** an outline of key barriers to flow of climate financing and potential climate actions.
 - C. **Implementation Approach:** an implementation plan for identified climate actions.



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3. How can the local governments develop a successful climate finance plan?

- The cities require approximately **USD 3.9 trillion until the year 2030**, indicating the complexity and demanding nature of the climate change actions.
- To develop a **climate finance plan**, cities need to first come up with a **city climate action plan**.
- A robust city climate action plan in turn requires cities to conduct an inventory of urban emission and carry out an urban risk and vulnerability assessment.
- **Robust climate action plans ideally also include sectoral assessments and can serve to identify climate investment themes, needs, and opportunities, both in the short/ medium and long term.**



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3. How can the local governments develop a successful climate finance plan?

- To develop a **climate finance plan** and **individual climate finance roadmap**:





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4. Climate adaptation and Climate mitigation nexus, and climate finance/investing

- Having a Climate Finance Plan and then developing a holistic Climate Finance Roadmap essentially means a detailed feasibility study have been finalised for climate actions of a city or province by the local government in charge, and next to the risks identified, the typology and amount of financing is clear.
- Without the roadmap it is also possible to finance individual climate actions as well, but the impact to be derived out of it would be limited as sustainability of the actions to be financed and implemented cannot be measured or guaranteed in the medium and long-term.
- Depending on the nature and amount of the climate change action to be undertaken by the local governments as well as the required type of financing and the amount, there are several possibilities to pursue along.
- Once simple way of grouping funding possibilities is to make the division between national and international sources of finance with complementary role for private sector when available and applicable.



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4. Climate adaptation and Climate mitigation nexus, and climate finance/investing



1 Develop an idea into a project

- Build a strong case
- Identify allies
- Have a clear prioritisation
- Develop a high-level cost plan

2 Get ready for implementation

- Identify skilled people
- Prepare for additional staff
- Prepare for additional resources

3 Identify and obtain resources

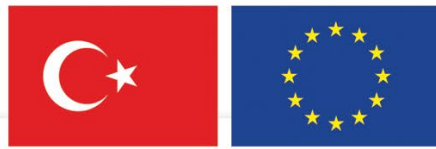
- Consider mainstreaming costs and obligations
- Identify matching funding and financing options and tailor your case
- Screen other opportunities



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4. Climate adaptation and Climate mitigation nexus, and climate finance/investing

- Identified projects need to be clearly described, including in terms of expected costs and financial/development/ climate benefits.
- The roadmap should also contain an identification of potential funding sources and strategies on how to leverage those.
- To ease access to funding, early involvement of potential funders in the project preparation phase and early alignment with national climate goals can increase chances that projects will be fully funded.
- Involvement of a wide range of potential funders, from public and private sectors, and tailored financing instruments and arrangements, depending on the local context and policy environment, will be needed to make sure that climate projects will get financed.
- Regular exchange with stakeholders, including the private sector, can help create trust and reduce perceived project risks.
- If needed, international technical assistance and advisory services should be approached early on to help with pipeline development and project preparation.



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5. Reaching out to Climate Funding

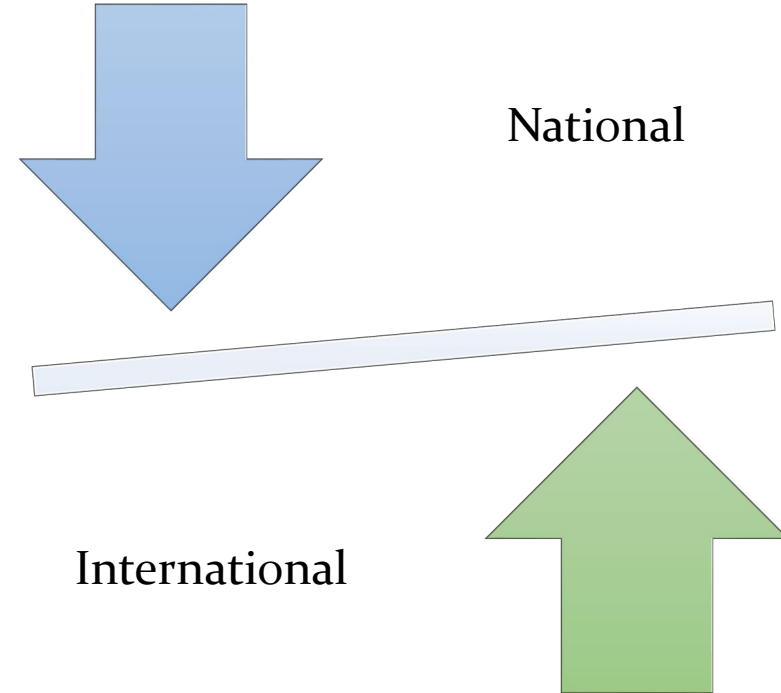




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5. Reaching out to Climate Funding

- These two can be considered in both individual climate action context or as complementary to one another as national and international funding possibilities in the case of Türkiye.
- So far national funding has been more preferred source of funding for local governments in Türkiye compared to international funding.
- This is due to several reasons covering a broad spectrum from relative of ease of compliance with the legal framework for local governments and the lack of capacity and resources to apply to international funding.



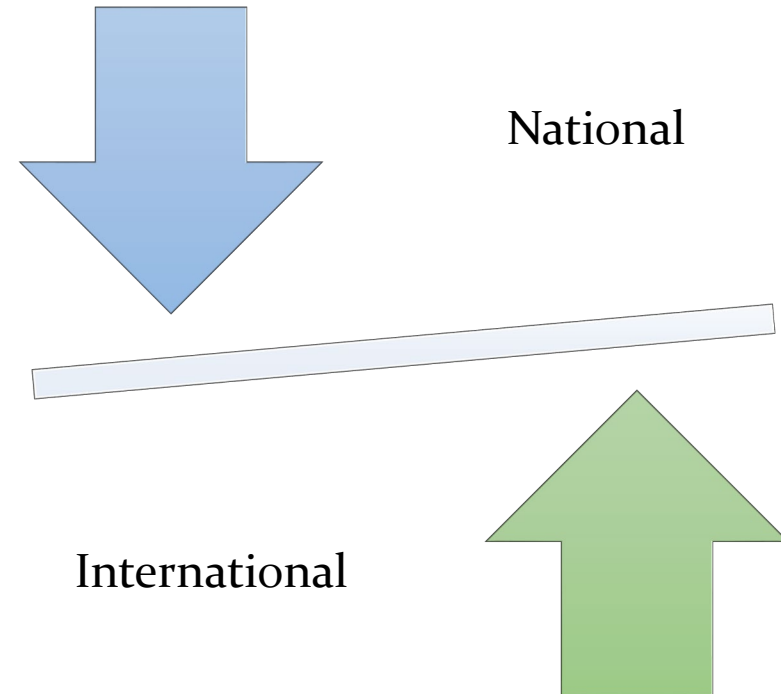


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5. Reaching out to Climate Funding

International technical assistance/ advisory resources:

- Cities Climate Finance Gap Fund – World Bank / EIB / GIZ
- Financing Energy for Low-carbon Investment – Cities Advisory Facility (FELICITY)
- City Resilience Programme
- Transformative Actions Programme
- C40 Cities Finance Facility
- The Urban Infrastructure Insurance Facility - funded by the German development Bank KfW and implemented by the ICLEI World Secretariat.



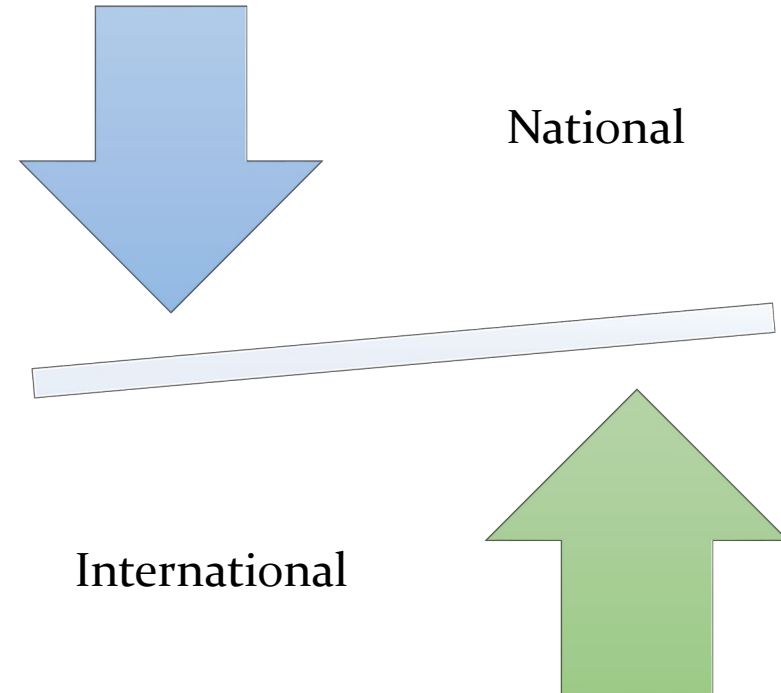


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5. Reaching out to Climate Funding

Funding mechanisms under the UNFCCC:

- The Green Climate Fund (GCF)
- The Global Environment Facility (GEF)
- The Adaptation Fund (AF)





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5. Reaching out to Climate Funding

1. MIP4Adapt and Local Governments

The financial and technical support provided by the Mission Implementation Platform leads European regional and local authorities to prepare and plan their climate change adaptation pathways towards climate resilient cities. For Mission Charter Signatories, MIP4Adapt is facilitating a climate change relevant community of good practices and delivery of technical assistance to enable local governments to

- Use their climate vulnerability and risk assessments to develop climate adaptation funding and implementing climate adaptation actions;
- Identify appropriate climate adaptation pilot projects while simultaneously identifying and accessing financial support for implementation
- Encourage engagement and mobilisation of stakeholders with inclusive approaches to climate adaptation actions.

This is a very useful platform for Turkish local governments and all European local governments alike towards reaching the desired the resilient cities.

<https://climate-adapt.eea.europa.eu/en/mission>





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5. Reaching out to Climate Funding

2. Horizon Europe - Missions

The infamous programme of the European Commission, Horizon Europe has a specific section dedicated to climate missions by regions and local governments. It is managed by CINEA. Türkiye is currently eligible under this programme and **Turkish local governments can apply for grants.**

Missions operate through a portfolio of actions; e.g. research projects, policy measures, etc. towards sustaining results that can otherwise be not reached through individual climate actions by a local government. The sectoral outlook is significant as it identifies climate-neutral and smart cities, soil health and food, healthy seas, coastal and inland waters, and adaptation to climate change as operational fields.

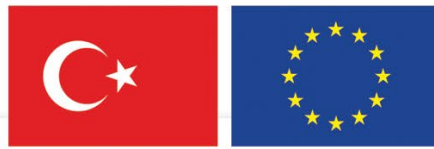
Nature of the support provided is mainly soft measures such as awareness raising, development of SECAPs, stakeholder engagement for climate change adaptation, project development through involving highly qualified external experts.

The size of typical funding under this programme could be in a range of EUR 1,5 million to EUR 10-20 million. Depending on the project call applied local governments could fund up to %30 themselves and in some cases all is funded by the EU. For example, there are Innovation Actions whereby %70 of funding is provided by the EU, while applying, for example, to Coordination and Support Actions (CSA) the funding rate is %100.

<https://ec.europa.eu/info/funding-tenders/opportunities/>

<https://climate-adapt.eea.europa.eu/en/mission>





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5. Reaching out to Climate Funding



CALL STATUS: OPEN

Horizon Europe: EUR 98 million available for Climate-neutral and Smart Cities Mission projects

Reference

HORIZON-MISS-2024-CIT-01

Opening date

17 September 2024

Deadline model

Single-stage

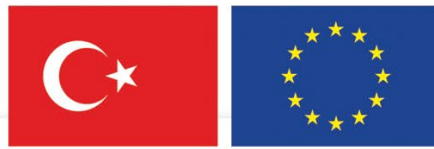
Deadline date

11 February 2025

Funding programme

Horizon Europe – the Framework Programme for Research and Innovation (2021/2027)





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5. Reaching out to Climate Funding



Horizon Europe Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment

Horizon Europe Cluster 5: Climate, Energy and Mobility





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5. Reaching out to Climate Funding

3. Horizon Europe – Cluster 6

Another funding possibility managed by CINEA under the Horizon Europe programme is **the Cluster 6, whereby Türkiye is an eligible participant for grants**. The scope of this funding covers environmental degradation, reversing the decline of biodiversity on land, inland waters and sea, and better management of natural resources through transformative changes of the economy and society in both urban and rural areas. More specifically, agriculture, forestry and rural areas, biodiversity and natural resources, bio-based innovation systems in the EU's bio economy, circular systems, environmental observation, food systems and finally the seas, oceans and inland waters.

The size of typical funding under this programme could be in a range of EUR 1,5 million to EUR 10-20 million. Nature of the support provided is mainly soft measures such as awareness raising, development of SECAPs, stakeholder engagement for climate change adaptation, project development through involving highly qualified external experts.

Additional information about the overall Horizon Europe can be found through the multi-annual work programme of Horizon Europe.

https://cinea.ec.europa.eu/index_en

<https://climate-adapt.eea.europa.eu/en/mission/funding/mission-funding-calls>

https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/wp-call/2023-2024/wp-12-missions_horizon-2023-2024_en.pdf





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5. Reaching out to Climate Funding

4. Horizon Europe – Cluster 5

Another funding possibility managed by CINEA under the Horizon Europe programme is **the Cluster 5, whereby Türkiye is an eligible participant for grants.**

The size of typical funding under this programme could be in a range of EUR 1,5 million to EUR 10-20 million. Nature of the support provided is mainly soft measures such as awareness raising, development of SECAPs, stakeholder engagement for climate change adaptation, project development through involving highly qualified external experts.

Additional information about the overall Horizon Europe can be found through the multi-annual work programme of Horizon Europe.

<https://ec.europa.eu/info/funding-tenders/opportunities>





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5. Reaching out to Climate Funding

5. Joint Assistance to Support Projects in European Regions (JASPERS)

Joint Assistance to Support Projects in European Regions (JASPERS) helps cities and regions absorb European funds through top-quality projects. JASPERS offers free of charge assistance for local authorities and promoters for any stage of the project cycle from the early stages of project conception through to the final application for EU funding. Assistance may cover:

- Project review and recommendations
- Horizontal tasks
- Strategic support
- Capacity building
- Implementation support
- Independent quality review

JASPERS IS OPEN TO TÜRKİYE





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5. Reaching out to Climate Funding

5. Joint Assistance to Support Projects in European Regions (JASPERS)

JASPERS supports projects in the following 5 areas:

[Energy and solid waste](#)

[Rail, Air and Maritime](#)

[Smart development](#)

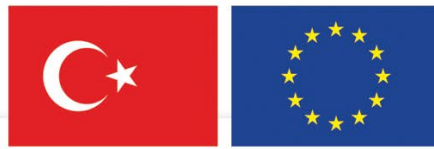
[Roads](#)

[Water and Wastewater](#)

JASPERS focuses on large projects with total costs exceeding **EUR 50 million for environmental projects and EUR 75 million for transport or other sectors**. However, there is flexibility about these thresholds in the case of small countries or where projects serve as pilot actions to establish best practice.

EIB – EBRD – DG REGIO





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5. Reaching out to Climate Funding

6. European Local Energy Assistance (ELENA)

European Local Energy Assistance (ELENA) provides grants for technical assistance focused on the implementation of **energy efficiency, distributed renewable energy and urban transport projects and programmes.**

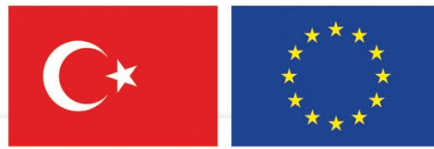
The grant can be used to finance costs related to feasibility and market studies, programme structuring, business plans, energy audits and financial structuring, as well as to the preparation of tendering procedures, contractual arrangements and project implementation units.

ELENA supports programmes above **EUR 30 million over a period of around 2-4 years**, and can cover up to 90% of technical assistance/project development costs. Smaller projects can be supported when they are integrated into larger investment programmes.

The **annual grant budget is currently around EUR 20 million.**

Projects are evaluated and grants allocated on a first-come-first-served basis. Managing Authority is European Investment Bank <http://www.eib.org/products/advising/elena/index.htm>





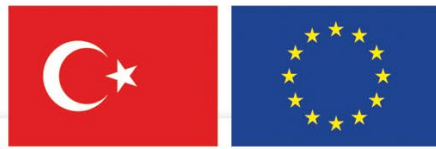
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5. Reaching out to Climate Funding

7. InvestEU Fund

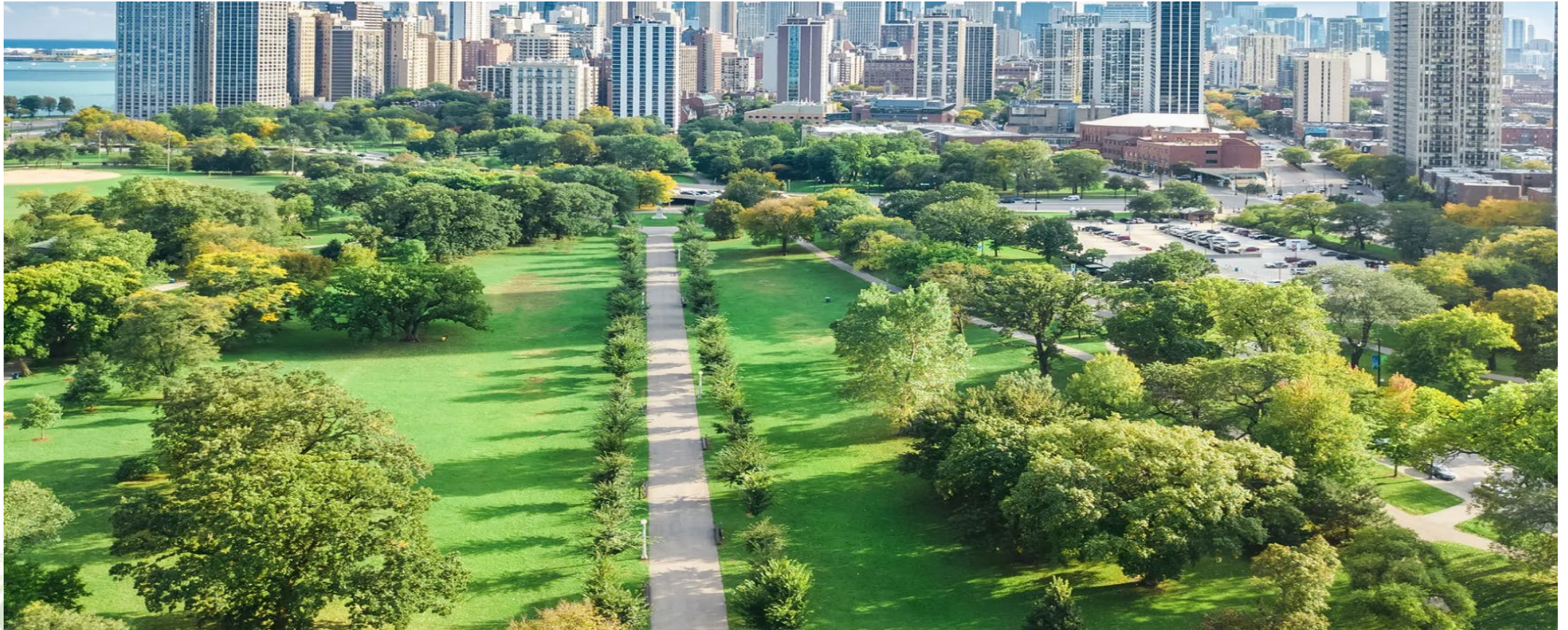
- Supporting **Buildings, Transport, Energy, Water, Waste, Land use planning, Agriculture & Forestry, Environment, Biodiversity, Tourism, Other.**
- **Sustainable infrastructure:** Financing projects in sustainable energy, digital connectivity, transport, the circular economy, water, waste, other environment infrastructure and more.
- **EIB Group and other InvestEU implementing partners** provide direct and intermediated financing solutions for both private and public projects promoters ('final recipients'). Project promoters should apply directly to implementing partners who will offer tailor-made financing solutions based on the financial products supported by the EU guarantee.





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6. Future Proofing Your Climate Resilient City





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Thank you

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