

Empowering Cities and Financing Climate- Resilient Urban Futures



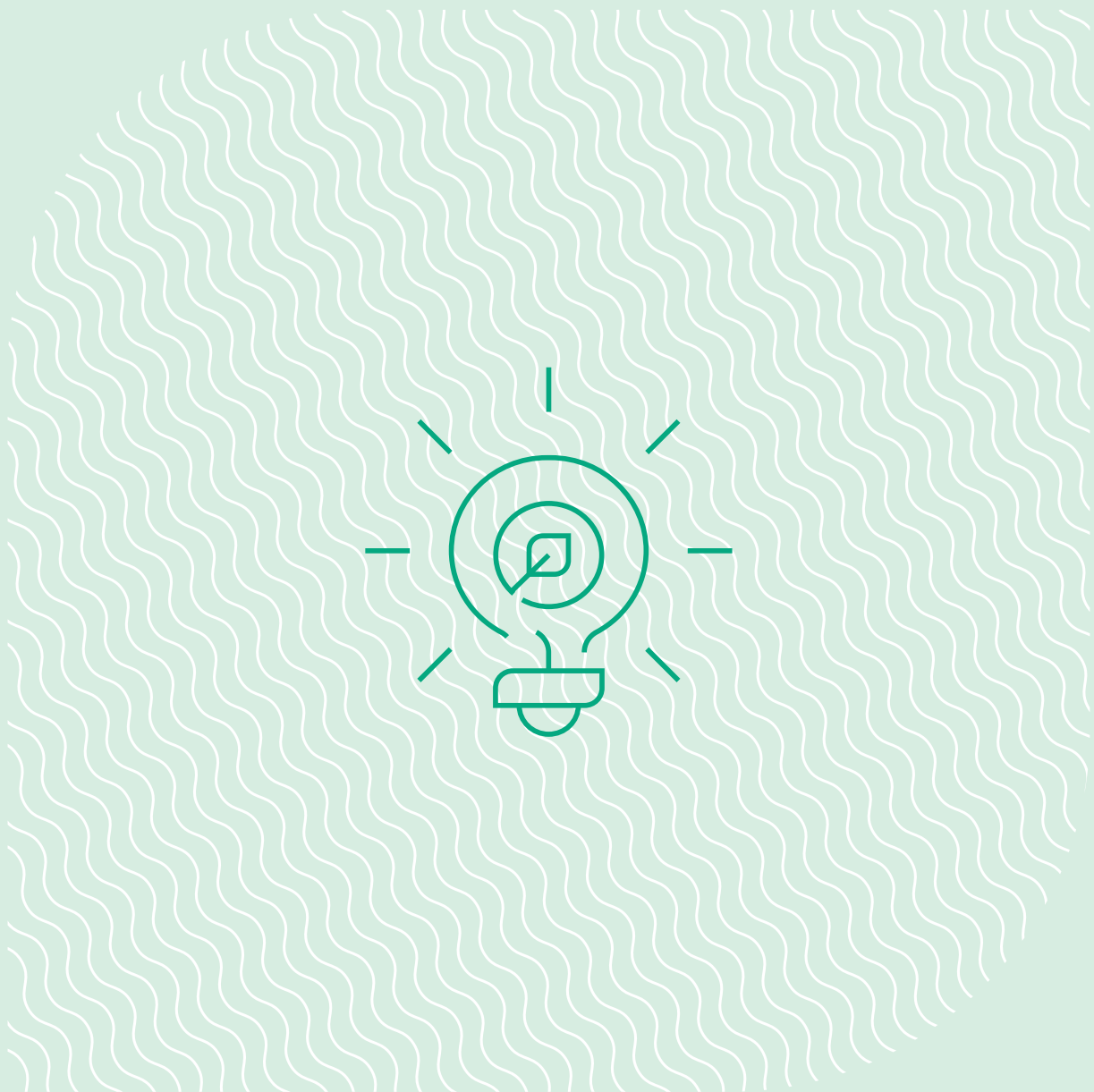
City Climate
Finance Gap Fund

IN PARTNERSHIP WITH



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Table of contents

Acronyms	2
Foreword	3
Executive Summary	4
I. Introduction	6
II. The One Gap Fund approach: a mechanism relying on a unique multi-stakeholder partnership model	9
A partnership between two global multilateral development banks (MDBs) supported by a technical agency and city networks	9
Highlighting the crucial role of global alliances and city networks	10
III. The Gap Fund: support up to the pre-feasibility stage	13
The relevance and need to focus on the pre-feasibility stage	13
The Gap Fund Technical Assistance	15
IV. Partnership is the key to success	19
Awareness raising, capacity development and project identification to develop strong Eols – GCoM support	19
Knowledge exchange and peer-to-peer learning: the Gap Fund Step-Up project	26
Lessons learned from the Gap Fund partnerships	32
➤ The GCOM-Gap Fund Partnership: advancing from climate project ideas to robust expressions of interest	32
➤ The Gap Fund Step-Up project: advancing project development through peer collaboration	33
V. Conclusion	35
VI. Sources	40

Acronyms

ADP	Anaerobic Digestion Plant
CCFLA	Cities Climate Finance Leadership Alliance
CFF	Cities Finance Facility
CO₂	Carbon Dioxide
Co₂eq	Carbon Dioxide Equivalent
EECA	Eastern Europe and Central Asia
EIB	European Investment Bank
EOI	Expression of Interest
GCoM	Global Covenant of Mayors for Climate and Energy
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICLEI	ICLEI - Local Governments for Sustainability
LAC	Latin America and the Caribbean
LCCAP	Local Climate Change Action Plan
MDBs	Multilateral Development Banks
MDTFs	Multi-Donor Trust Funds
MENA	Middle East and North Africa
MRF	Material Recovery Facility
NbS	Nature-Based Solutions
PPFs	Project Preparation Facilities
PPPs	Public-Private Partnerships
RCoMPs	Regional Communities of Practice
SA	South Asia
SEA	Southeast Asia
SMEs	Small and Medium Enterprises
SSA	Sub-Saharan Africa
SUP	Step-Up Project
TA	Technical Assistance
ToR	Terms of Reference
UPBEE	Ukraine Public Buildings Energy Efficiency
WB	World Bank



Foreword

Cities are crucial to unlocking a climate-smart future for all, given that they account for more than 50% of the global population, some 70% of global energy-related CO₂ emissions and 80% of the global GDP ([World Bank](#)). Cities hold the potential to lead transformative climate action and contribute significantly to efforts to meet the Paris Agreement's goals, while subnational governments account for 69% of climate-significant public investment.

The City Climate Finance Gap Fund is one of the world's largest early-stage technical assistance (TA) providers for cities and climate action. It is a multi-donor initiative that was established in September 2020 and implemented jointly by the World Bank and the European Investment Bank. It helps cities in developing and emerging countries to realize climate ambitions by turning low-carbon, climate-resilient ideas into strategies and finance-ready projects.

Strong partnerships are critical for advancing climate action at the local level. Key technical partners of the Gap Fund are able to leverage diverse expertise levels, expand advocacy and awareness, and amplify resources. They connect directly with the cities in question, raise awareness in different regions, act as resource brokers, and promote knowledge-sharing among cities while simultaneously fostering urban collaboration, strengthening technical capacities at the local level, and scaling collective impact.

This report focuses on the Gap Fund's partnerships with the Global Covenant of Mayors for Climate & Energy (GCoM), the largest global alliance for city climate leadership, and with ICLEI—Local Governments for Sustainability, a global network that engages with more than 2,500 local and regional governments committed to sustainable urban development.

These partnerships drive a step-by-step approach to supporting cities through project preparation. GCoM identifies climate project ideas and supports the process of submitting an expression of interest to the Gap Fund. Upon completion of the Gap Fund technical assistance, ICLEI then works with a selection of cities to develop project preparation and move towards investment readiness through the Gap Fund Step-Up Project. This collaborative approach accelerates the transition from project ideation to implementation and effectively contributes to the global effort to tackle climate change.

This report showcases the vital role that solid partnerships play in supporting the ambitious efforts of cities to drive climate action at the local level. Working together, we can progress faster towards achieving the targets of the Paris Agreement and ensure a healthier and sustainable urban future for all.



Executive Summary

Cities play a critical role in advancing climate action, yet they often struggle to access the technical expertise and financial resources needed to develop climate-resilient, low-carbon projects. The City Climate Finance Gap Fund (the Gap Fund) was launched in 2020 to bridge this gap, providing early-stage technical assistance to cities in developing and emerging economies. By supporting project preparation from concept to pre-feasibility, the Gap Fund helps cities and local governments in preparing and prioritizing climate-smart plans and investments with the goal of attracting further financing and support for implementation.

This report highlights the impact of the Gap Fund's partnerships with the Global Covenant of Mayors for Climate & Energy (GCoM) and ICLEI-Local Governments for Sustainability in supporting cities at the critical pre-feasibility stage, where projects often struggle to advance due to limited capacity and challenges in accessing finance. These partnerships have enabled the Gap Fund to expand its reach, engage cities across multiple regions, and provide targeted support to improve project design. GCoM has played a central role in helping cities identify climate-smart project ideas and develop robust expressions of interest (EOIs), increasing their chances of securing technical assistance. ICLEI's Step-Up Project (SUP) supports cities beyond the initial technical assistance phase, fostering peer-to-peer learning through "city pairing" exchanges and regional communities of practice. These initiatives have helped cities to refine their project designs, improve governance strategies, and explore financing options.



By introducing key lessons on how strategic partnerships can strengthen early-stage project preparation and accelerate climate action at the local level, this report provides insights into the role of city networks in supporting capacity development, expanding access to technical assistance, the value of peer learning in overcoming common challenges, and the importance of connecting early-stage project preparation with long-term financing opportunities.

Reflecting on the experiences of cities engaged in these partnerships and the Gap Fund, practical guidance is offered for policymakers, investors, and urban practitioners on how to bridge the gap between project ideas and implementation, as well as the key role that partnerships play. Strengthening collaboration, fostering knowledge exchange, and creating clearer pathways to financing are key to ensuring cities are equipped to drive sustainable, climate-resilient urban development.

This report is intended for policymakers, urban practitioners, development partners, and financiers who support climate action at subnational and local levels. Its aim is to demonstrate the importance of early-stage technical assistance and strategic partnerships, using the experience of the Gap Fund and its partnerships with GCoM and ICLEI.





I. Introduction

A city's journey from an initial climate project idea through to project implementation requires time, a substantial degree of preparation, resources, and capacities. The early project preparation stage is crucial yet challenging and risk-prone, given that cities often need additional technical and financial resources and financiers are rarely willing to provide support in this initial phase.

The City Climate Finance Gap Fund (the Gap Fund) supports cities in developing and emerging countries by transforming climate-resilient, low-carbon ideas into strategies and finance-ready projects. Established in 2020, the Gap Fund currently has a capital fund of €105 million, making it the most significant early-stage project preparation facility in the field, and it aims to unlock up to €4 billion in investments for sustainable urban development. The Gap Fund's primary goal is to help cities in low and middle-income countries transition toward low-carbon and climate-resilient pathways that are in line with global efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels. It intends to increase funding for early-stage project preparation, helping cities address climate change and capacity gaps at the local level.

The Gap Fund is a collaborative initiative backed by Germany's Federal Ministry for Economic Affairs and Climate Action and the Federal Ministry for Economic Cooperation and Development and Luxembourg's Ministry of the Environment, Climate and Sustainable Development. It is collectively implemented by the World Bank (WB), the European Investment Bank (EIB), and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, in close partnership with city networks and other key partners, including the C40 Cities Climate Leadership Group, the Global Covenant of Mayors for Climate and Energy (GCoM), ICLEI–Local Governments for Sustainability (ICLEI), and the Cities Climate Finance Leadership Alliance (CCFLA). The targeted partnerships with GCoM and ICLEI allow the Gap Fund to enhance the technical support it provides to cities. These partnerships ensure the Gap Fund can build a robust pipeline of climate-smart urban investment projects and foster peer-to-peer learning on climate challenges worldwide.



The World Bank and GCoM launched their partnership in 2022 to increase awareness and understanding of the Gap Fund among cities and partners and to improve knowledge of the opportunities and constraints for low-carbon, climate-resilient development in cities. Dedicated teams for Eastern Europe and Central Asia, Latin America and the Caribbean, the Middle East and North Africa, Sub-Saharan Africa, and South Asia and South-East Asia have created awareness-raising activities and provided training and tailored assistance to help cities identify challenges, needs, or project ideas and translate them into robust expressions of interest (Eols) for applying for Gap Fund support.

The EIB and GIZ, with implementational support from ICLEI, launched the Gap Fund Step-Up Project (SUP) in 2023. The project supports 14 selected cities in Africa and South America¹ that receive technical assistance from the Gap Fund through peer-to-peer knowledge exchange on challenges and lessons learned in project preparation. The SUP mission engages cities through a multi-layered approach, including city pair exchanges, regional in-person workshops, and extended regional communities of practice. These activities build up capacities for project preparation, financing, and implementation while also creating long-lasting networks for collaboration and knowledge-sharing.

Building on these initiatives, this report reflects on the impact of these partnerships in supporting the Gap Fund as a catalyst for transforming climate-resilient ideas into actionable urban projects. It explores the Fund's unique model, fostering multi-stakeholder partnerships between major multilateral development banks (the EIB and the World Bank) and key partners. Furthermore, the report offers an in-depth exploration of how cities benefit from tailored technical support provided by GCoM and the Gap Fund and follow-up support by ICLEI through the Gap Fund SUP. It also illustrates how Gap Fund support, together with city networks, has enabled local governments to overcome obstacles in preparing and conceptualizing projects and moving forward in their climate journeys.



¹ In South America: Campinas, Palmas and Rio de Janeiro (Brazil), and Cuenca and Portoviejo (Ecuador). In Africa: Chefchaouen (Morocco), La Marsa, Carthage and Sidi Bou Said (Tunisia), Kisumu (Kenya), and Makindye, Entebbe, Nansaa, and Kira (Uganda).



Cairo, Egypt @ Omar Elsharawy on Unsplash



II. The *One Gap Fund approach*: a mechanism relying on a unique multi-stakeholder partnership model

A partnership between two global multilateral development banks (MDBs) supported by a technical agency and city networks

Since the beginning of the discussions on the reform of the global financial architecture (or MDB reform), calls for MDBs to “work as a system” have multiplied². Global city networks, including GCoM and ICLEI, have called upon multilateral development banks on various occasions to put cities and local governments at the center of the discussions on their reform³.

The “One Gap Fund approach” is a concrete example of collaboration between two major multilateral development banks: the World Bank and the European Investment Bank. This collaboration involves the following:

- Coordination mechanisms for the World Bank and the EIB to screen expressions of interest and agree on their further processing by either of the implementing banks. These decisions are taken jointly during biweekly meetings of the secretariats of the two parties.
- Joint outreach, communication, and knowledge-sharing activities are performed in partnership with city networks and other key partners.
- A single Gap Fund website offering information on Gap Fund multi-donor trust funds and on the opportunity for cities to submit an expression of interest to the Gap Fund.

GIZ, acting as the EIB’s implementing body for the EIB Gap Fund, uses its experience in capacity development and technical assistance to complement the EIB’s expertise in urban climate financing. This partnership has been instrumental in delivering assignments, starting a dialogue on matchmaking and handover, upscaling potential projects, and fostering cooperation between beneficiaries. In addition, the Gap Fund operates in close partnership with city networks and other key partners of city financing, such as C40, GCoM, ICLEI, and the CCFLA.

² See, among others, the [Déclaration pour une vision commune des banques multilatérales de développement](#) issued in June 2023, the [Statement of the Heads of Multilateral Development Banks Group \(Marrakech statement\)](#) issued on 13 October 2023, and the Viewpoint Note, [MDBs Working as a System for Impact and Scale](#), released on 20 April 2024 in Washington, D.C.

³ See, among others, the [Open letter from Mayors to the Presidents of Multilateral Development Banks](#) issued in March 2024 and the [call from C40 and GCoM Mayors for at least US\\$800 billion in annual public investment](#) by 2030 from national governments and development finance institutions, issued in November 2024 during the G20 summit.

Highlighting the crucial role of global alliances and city networks

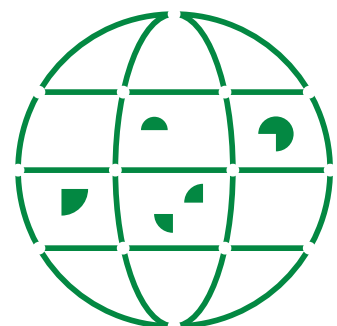
Global alliances, city networks, and key partners are essential in building bridges between cities and between them and the Gap Fund. They support cities interested in applying to the Gap Fund in preparing Eols, promote outreach activities to raise awareness about the Gap Fund globally, and support knowledge sharing.

The Gap Fund has formalized partnerships with some of the leading global city networks, acknowledging their role and reach. The World Bank signed a three-year partnership agreement with GCoM to enhance awareness about the Gap Fund, support cities in preparing robust and eligible applications for the fund, and share cities' experiences with Gap Fund partners.

In addition, the Gap Fund's founding principles were significantly influenced by a needs assessment conducted by GCoM prior to its launch, which revealed a critical lack of support at the pre-feasibility stage. GCoM's proximity to cities facilitated the identification of systemic barriers to climate finance and played a key role in shaping the structure and priorities of the Gap Fund from the outset.

This partnership is implemented by a team of professionals distributed across five regions: Latin America and the Caribbean (LAC), Sub-Saharan Africa (SSA), Middle East and North Africa (MENA), Europe and Central Asia (ECA), and Southeast Asia (SEA). As a result of this broad geographic coverage, the partnership has increased awareness and capabilities, fostered strategic alliances, and created a substantial list of viable projects with strong climate potential. The regional teams contribute greatly to accelerating the Gap Fund's implementation by taking advantage of the fact they are directly connected with the Regional Covenants (*see Box 1*), cities, and partners in the different regions.

The GCoM-Gap Fund partnership relies on **strong partnerships and collaborations** with key partners working in the city-space. Through the partnership, GCoM has created connections between the Gap Fund and global partners such as CDP, ICLEI, C40, CCFLA, UN agencies, and regional partners, including regional development banks and regional or national city networks.





GCoM is the largest global alliance for city climate leadership, uniting a worldwide coalition of over 13,000 cities, local governments, and more than 100 supporting partners. The cities and partners of GCoM share a long-term vision of supporting voluntary action to combat climate change and move towards a resilient and low-emission society. GCoM serves cities and local governments by mobilizing and supporting ambitious, measurable planned climate and energy action in their communities by working with city/regional networks, national governments, and other partners to achieve that vision. The coalition comprises cities across six continents and 146 countries, representing over a billion people, or more than 13% of the global population.

Box 1: GCoM

The Gap Fund also works closely with ICLEI—Local Governments for Sustainability (see *Box 2 below*). Since the creation of the Gap Fund in 2020, ICLEI has been its partner and has promoted the Fund throughout its network of cities, supporting the submission of EoIs from projects that participate in its Transformative Actions Program (TAP).

In 2023, the EIB and GIZ launched the Gap Fund Step-Up Project (SUP), which is implemented by ICLEI. Building on the Gap Fund's technical assistance, the SUP employs an innovative approach to equip cities with the knowledge and tools required to navigate the stages of project preparation and advance their projects towards investment readiness. By focusing on peer-to-peer learning, collaborative sessions, and expert guidance, the SUP helps cities to collaboratively address challenges, explore solutions, and strengthen financial planning to attract post-Gap Fund support and financing opportunities.

Through these efforts, the Gap Fund SUP fosters long-term communities of practice where cities share knowledge and support each other in advancing sustainable infrastructure projects.

ICLEI—Local Governments for Sustainability is a network of more than 2,500 local and regional governments—composed of ICLEI Members and Network cities—committed to sustainable urban development. Active in 100+ countries, ICLEI influences sustainability policy and drives local action for low-emission, nature-based, equitable, resilient, and circular development.

Box 2: ICLEI



Cape Town, South Africa @ Zoë Reeve on Unsplash

III. The Gap Fund: support up to the pre-feasibility stage

The relevance and need to focus on the pre-feasibility stage

Project preparation is a critical enabler of infrastructure development and has been identified as a key pillar in the [G20's strategic roadmap](#) to develop infrastructure as an asset class. Inadequate support at the project preparation stage can result in critical projects being scrapped before implementation or facing significant cost or time overruns. This challenge is further amplified when it comes to low-carbon sustainable infrastructure projects, which often entail more complex development processes and carry higher upfront risks and costs. However, while this capacity gap is widely recognized, few actors actively address it.

The Gap Fund partners observed that cities dedicate limited time and resources to the pre-feasibility stage, that project objectives are often unclear at the pre-feasibility stage, and that a comparison with alternative solutions is not systematically undertaken by cities (EIB, 2023). They concluded that additional project validation and design at the pre-feasibility stage was needed to reduce the perceived risks and mobilize internal and external resources for prioritized projects (BwB & GCoM).

There is a need to improve and accelerate a city's access to financing from domestic, national and international public financiers that support climate projects. Some challenges relating to project preparation include difficult access to climate information, high preparation costs, lack of technical expertise and standardized preparation procedures, and limited knowledge in project teams on attracting funders and financiers (BwB & GCoM). Consequently, despite the strong demand for infrastructure projects— particularly climate-smart projects—a large majority of such city projects usually do not result in their implementation.

To address this challenge, the Gap Fund focuses specifically on this first and crucial step of the project preparation journey by providing both **upstream** (strengthening low carbon and resilient urban planning) and **downstream** (project identification and initial preparation) support to cities. In the Gap Fund Technical Secretariat, the World Bank leads the upstream work while the EIB implements downstream projects, with support from GIZ as its implementing partner. This coordinated approach ensures that projects launched by cities are robust from the outset.



The table (infographic) below presents the cities' project preparation journey. The Gap Fund supports the two first stages.

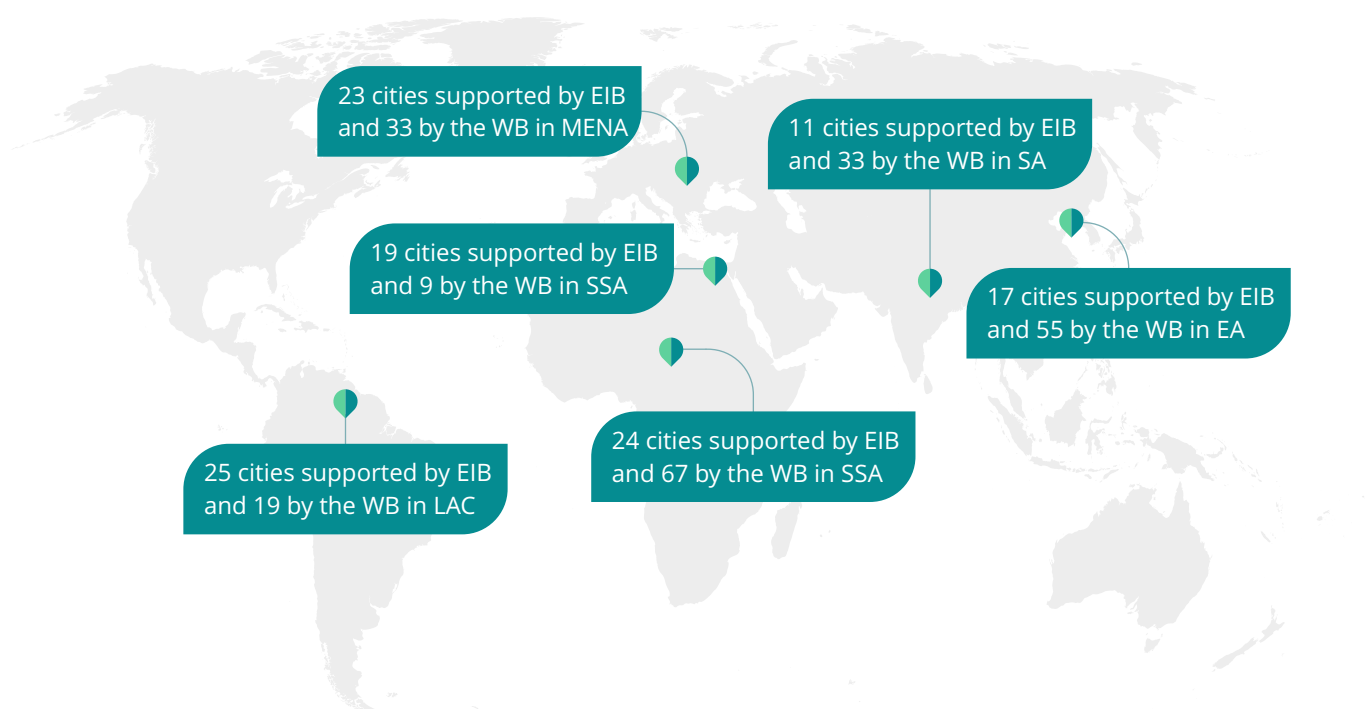
The cities' project preparation journey



The Gap Fund Technical Assistance

The Gap Fund proactively facilitates requests from a broad range of cities to support them with early-stage project preparation and to enhance their access to climate finance. It promotes urban climate mitigation and adaptation in all relevant sectors, including energy, sustainable mobility, nature-based solutions, water and waste management, and promoting low-carbon, more resilient, and livable urban environments.

From its inception in September 2020 to the end of 2024, the Gap Fund received and screened 651 Eols. As of December 2024, the WB has provided support to 72 cities in 20 countries, whereas EIB has provided support to 36 cities in 19 countries. The map below shows that Gap Fund assistance is widespread across all geographical regions.



The Gap Fund bridges the gap in project preparation by providing cities with a range of technical assistance, including climate strategy development, project concept definition, pre-feasibility studies, and prioritization of investments within climate strategies or investment programs. It also supports the generation of in-depth analytics to assess the climate action and resilience potential of plans, strategies, and investment programs, while strengthening approaches to project financing. Additionally, the Gap Fund helps analyze available alternatives, such as technological solutions or business models, enhances project bankability, and identifies potential sources of finance. The table below provides an example of the different kinds of support the Gap Fund provides.

Examples of Technical Assistance provided

Overview of the Technical Assistance

Assessment of the climate potential of actions, plans, strategies, and investment programs

Support for the operationalization of city-level climate change strategies and plans in Nairobi and Mombasa, Kenya.

📍 Sub-Saharan Africa

Some of the deliverables included:

- An assessment of city-wide climate smart readiness and enabling environments;
- The prioritization of bankable investments as identified in the Climate Action Plans, in accordance with city priorities.

Supporting the prioritization of investment

Low carbon and resilient municipal service delivery in Ahmedabad city.

📍 South Asia

- Development of a GIS based system for climate risk hotspots and city-level GHG emission estimation models for land use, heat stress, flooding, and GHG;
- Recommendations for low carbon and resilient spatial and land-use planning systems; and
- Development of a strategy for prioritizing and financing city-wide climate mitigation and adaptation interventions.

Support for the development of pre-feasibility studies

Chefchaouen, Morocco: Valorization of municipal waste and assessment of its mitigation potential.

📍 Middle East and North Africa

- Characterization of all waste fractions;
- Development of an organic waste treatment concept tailored to Chefchaouen;
- Identification of business model options and recommendations for institutional capacity building.

Rio de Janeiro and Campinas: Urban Parks.

📍 Latin America and the Caribbean

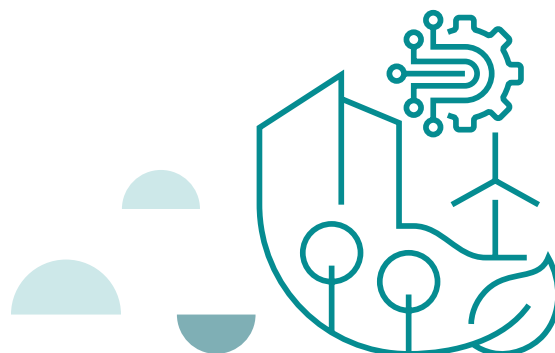
- Development of a methodology to assess risks and benefits of nature-based solutions in Linear and River Parks;
- Creating a foundational project for Córrego Bandeirantes Linear Park in Campinas;
- Development of an economic and financial model for Jardim Maravilha River Park maintenance in Rio de Janeiro.

Table 1

In addition to providing cities with technical assistance, the Gap Fund aims to help cities advance their projects towards securing climate finance. To achieve this, the Gap Fund assists approved cities in identifying the next steps to be taken in the project preparation process. This includes connecting them with later-stage project preparation facilities or technical support, as well as suitable sources of finance, multilateral development banks, national financing institutions, or programs.

The City of Mbombela faces multiple hydro-meteorological hazards due to poorly functioning and degraded riverways and waterways. The Gap Fund supported the development of the Mbombela Transformative Riverine and Stormwater Management Programme (MTRSMP). After completing the pre-feasibility study, in October 2023, the Gap Fund transitioned the project to the C40 Cities Finance Facility (CFF) for continued support in project preparation along the Tekwane North and Msogwaba streams, aiming to reduce flood risk for 60,000 residents. The CFF's involvement in Mbombela builds on the strong foundation laid by the Gap Fund through the MTRSMP. The success of this project lies in its clear alignment with local needs, proactive stakeholder engagement, and strong technical groundwork. However, the process was resource-intensive, requiring close coordination and dedicated capacity over several months. Challenges included limited local capacity for technical design, navigating inter-agency coordination, and sustaining momentum through political changes – factors that underscore the importance of sustained, hands-on support during early project stages.

The GCoM, ICLEI, and GIZ teams also support identifying matchmaking opportunities through regular engagements with CCFLA and its PPF connector and direct engagements with project preparation facilities in different regions. Additionally, Gap Fund projects, supported by ICLEI's Transformative Actions Program (TAP), continue to receive guidance and be connected with subsequent technical assistance opportunities.





Nairobi, Kenya @ Joseph Ndungu on Unsplash

IV. Partnership is the key to success

Awareness raising, capacity development and identification of project ideas to develop strong Eols – GCoM support

Awareness rising

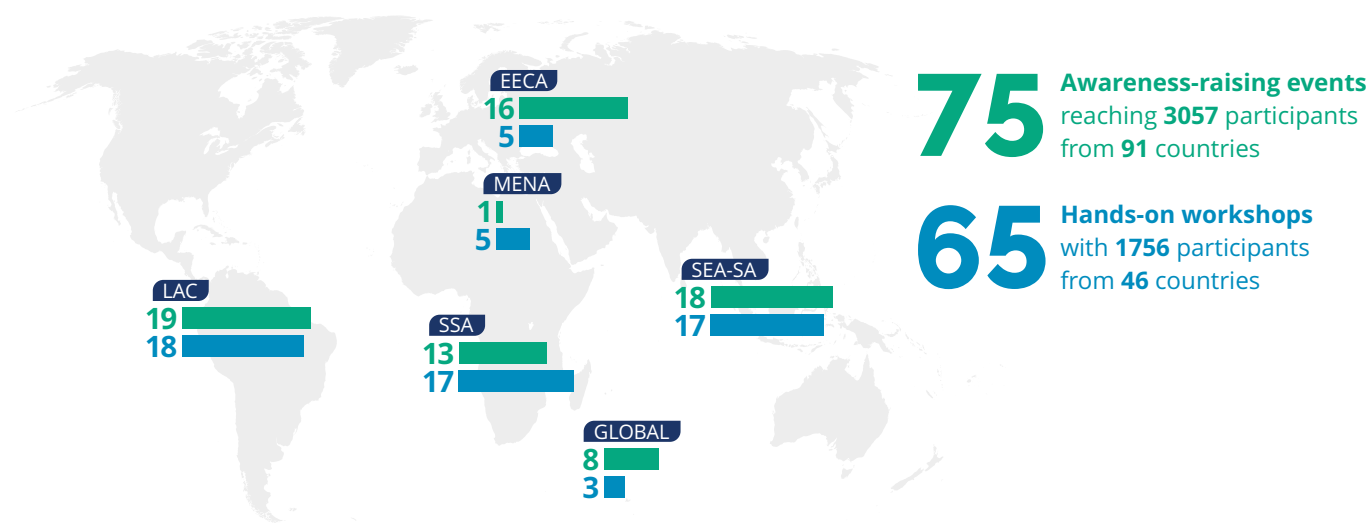
The Gap Fund cooperates on an international scale with GCoM, which in turn works closely with cities, to support those cities in identifying challenges and opportunities for climate-smart urban development. Through tailored engagement, the Gap Fund's partners organize workshops to enhance a city's understanding of the application process and strengthen its ability and capacities to identify project ideas and prepare Eols.

With the help of its Regional Covenants and partners, GCoM has increased awareness to a significant extent of the Gap Fund and has improved skills through focused initiatives and targeted events. Between June 2023 and November 2024, GCoM organized **75 awareness-raising events, engaging 3,057 participants from 91 countries** to share information about the Gap Fund, the application process, and the eligibility criteria. Most of these awareness-raising workshops were co-organized with GCoM's partners, which promoted the connection with cities and helped identify promising project ideas. ICLEI has also collaborated with GCoM in these efforts, hosting awareness-raising sessions at ICLEI-led events, such as UrbanShift *Accessing Urban Climate Finance* City Academies in Delhi, Marrakesh, and Belém, and at the ICLEI World Congress in Sao Paulo, in June 2024.

Additionally, a [dedicated website](#) on GCoM's homepage hosts materials, updates, and news, sharing information about the partnership's activities in order to expand outreach. Information about the Gap Fund is now available in English, French, Spanish, Portuguese, Arabic, Russian, and Turkish, expanding the Gap Fund's visibility globally.

Besides the awareness-raising efforts, during the same period the GCoM-Gap Fund Partnership has supported cities across the globe through targeted events, offering training and guidance. In that timeframe the GCoM team delivered **46 technical workshops, connecting with 1,756 participants from 46 countries**. These workshops provided practical training to empower city representatives to develop effective expressions of interest for the Gap Fund.



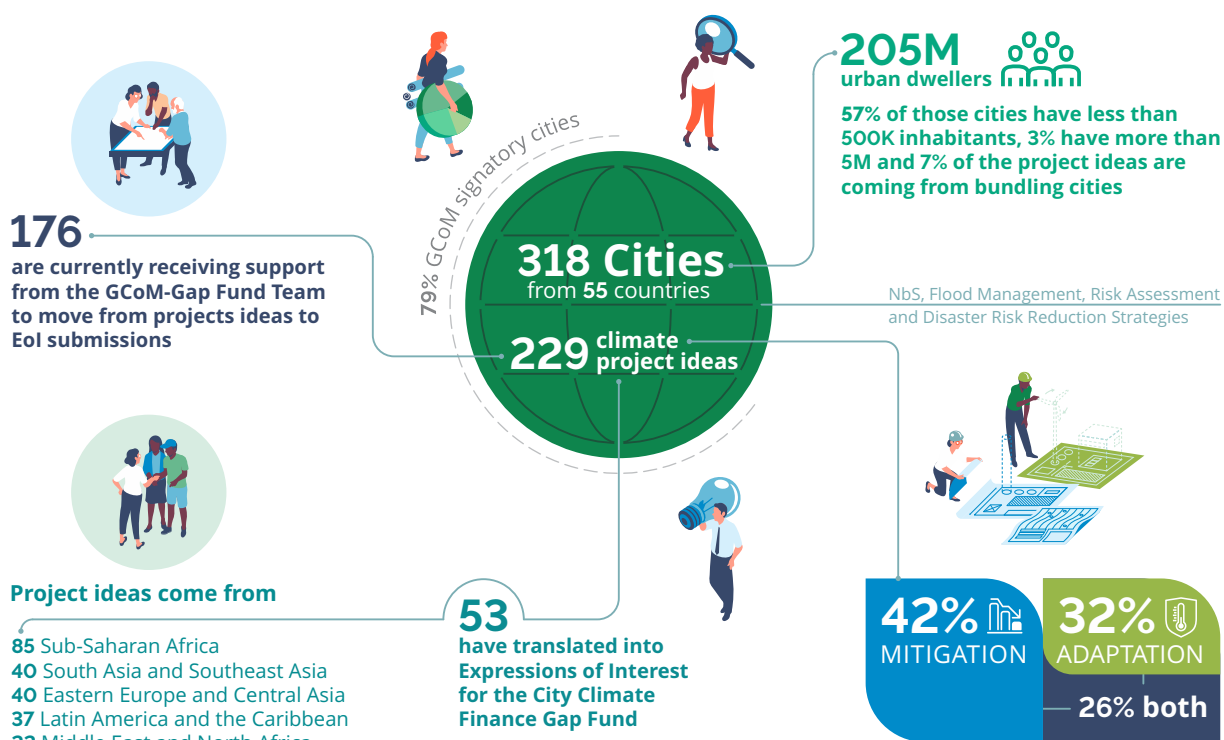


Identifying project ideas

An EoI submitted to the Gap Fund is the outcome of extensive and dedicated work by the local government's technical teams and is the translation of a city's commitment to advancing climate action. It starts with a project idea, sometimes derived from a planning document (climate action plan, resilience strategy), identifying a pressing climate need or pursuing a transformational opportunity.

The Gap Fund partners also work on sourcing potential project ideas, and project identification is core to the work of the GCoM-Gap Fund partnership. When a city and GCoM engage, the GCoM team builds a relationship of trust with that city, providing continuous support from project ideation through to the EoI submission. The successive steps and engagements are set out in the table below. This approach ensures EoIs meet eligibility criteria and project ideas with high climate potential impact can reach the Gap Fund, increasing their likelihood of receiving technical assistance. Working with GCoM is not a prerequisite for applying to the Gap Fund, and cities may also submit EoIs online through the website without requesting or receiving support from the GCoM teams.





Between June 2023 and November 2024, the GCoM team identified **229 climate project ideas from 318 cities** (79% are GCoM signatories and 28% have a climate action plan) **across 55 countries**. Almost 70% of these ideas came from fast-growing intermediary cities, with a strong focus on energy efficiency, greening urban areas, and waste management.

Project ideas were received from Sub-Saharan Africa (85), South and Southeast Asia (40), Latin America and the Caribbean (37), Eastern Europe and Central Asia (40), and the Middle East and North Africa (22).

Once a project is identified, the EoI preparation process typically spans two to four months. However, the period can vary widely based on factors like city responsiveness, technical capacity, project complexity, and external events. For instance, recent natural disasters like flooding in Rio Grande do Sul in Brazil and national elections in Mexico have disrupted or delayed EoI preparations for some cities.

Between November 2023 and June 2024, the Gap Fund received 53 EoIs formulated with the support of the GCoM technical teams. Thirty-five were considered eligible (66%), fifteen (28%) are still being assessed, and three (5.6%) were not eligible. The remaining project ideas continue to receive support from GCoM for EoI development.

Engagement between GCoM and local government officials

Step 1: Engagement Phase

Introductory call between the GCoM and the cities teams aiming to:

- Understand the city's climate change agenda, commitments, and main climate challenges.
- Introduce the Gap Fund-eligibility criteria.
- Explore priority sectors.
- Identify potential project ideas.



Step 2: Technical revision of the project idea by the GCoM teams

Cities share their initial project drafts with GCoM regional teams, who assess the proposal's compatibility with Gap Fund eligibility criteria and provide targeted technical feedback to improve the Expression of Interest.



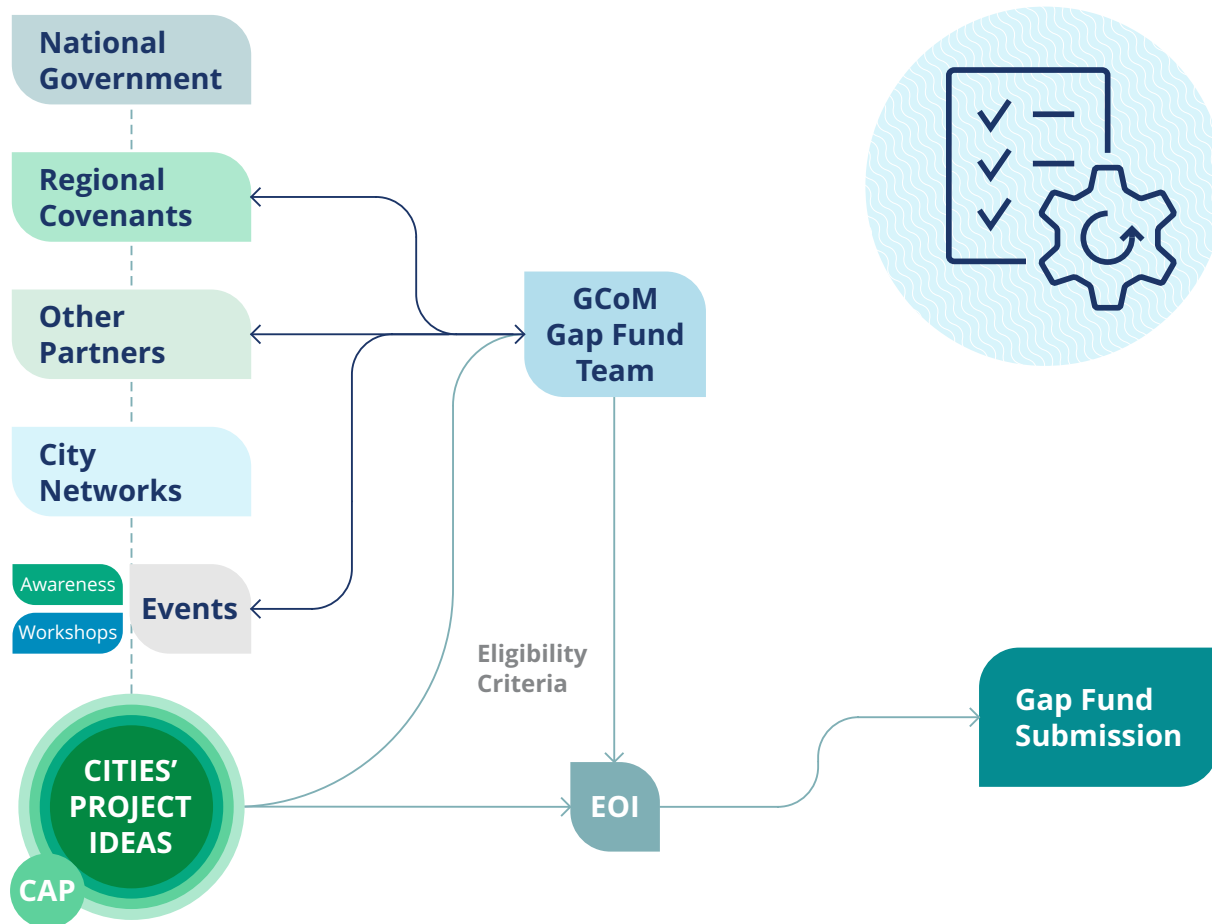
Step 3: Engagements with the Gap Fund Secretariat, the country teams and national and regional partners of the Gap Fund

The GCoM team collaborates with the Gap Fund Secretariat, World Bank and EIB-GIZ regional teams, and national and regional partners to discuss draft project ideas, understand local priorities, and identify potential partners who can provide further support to cities after the pre-feasibility stage.



Step 4: Final revisions and Submission of the Expression of Interest (EoI)

Once the city formulates a strong Expression of Interest, it can be submitted on a **rolling basis** via the Gap Fund website throughout the year. These EoIs are reviewed jointly by the Gap Fund Technical Secretariats to determine eligibility and alignment with the Gap Fund's objectives.



Some examples of projects identified through direct engagements with cities are:

Cape Town, South Africa

In February 2024, the GCoM Gap Fund team in the SSA region met with Cape Town's Partnership Division to review a pipeline of potential projects. After consultations, the city prioritized a strategy for flood management masterplans. The GCoM Gap Fund team guided the city in order to strengthen the EoI's climate narrative. In May 2024, Cape Town used the online platform to submit an EoI titled *Development of Catchment Stormwater Master Plans in Cape Town to Improve Understanding Flood Risk and Developing a Portfolio of Flood Alleviation Measures*.

Central Bosnian Canton

In collaboration with the Central Bosnian Canton Authority, the EECA team successfully supported an application involving all 12 municipalities of the canton, focused on enhancing energy efficiency in public infrastructure. The proposed intervention aims to conduct energy audits in public buildings—particularly schools, administrative buildings, and medical facilities—with the goal of identifying renovation priorities to reduce reliance on fossil fuels, lower CO₂ emissions, and improve indoor comfort and public health. This effort aligns with the canton's Development Strategy 2021–2027 and will be guided by the Regional Disaster Risk Reduction (DRR) platform to guarantee coordination and knowledge sharing across municipalities, supporting long-term resilience and climate goals.

Accra, Ghana

In September 2023, Accra, a municipality that is part of the Covenant of Mayors in Sub-Saharan Africa (CoM SSA), collaborated with GIZ and the GCoM-Gap Fund team to refine a waste-to-biogas project idea. After a number of technical feedback sessions and guidance on eligibility, the city submitted its EoI in April 2024.

Some project ideas were identified after awareness-raising activities:

Karak Municipality, Jordan

Following an awareness-raising webinar in September 2024, the Karak Municipality expressed interest in working with GCoM on a Gap Fund proposal. The GCoM team collaborated closely with the city, providing feedback to align the project with national strategies and financial priorities. Through a detailed one-on-one meeting, they refined the project idea, ensuring it matched the city's climate action goals and strategic plans, ultimately developing a robust urban-climate proposal ready for Gap Fund submission.

Several cities in Brazil

After making contact at the 2023 [UrbanShift Adaptation Finance Academy](#) in São Paulo, Brazil, the GCoM team joined forces with the World Resources Institute (WRI) Brazil to promote the Gap Fund among cities participating in their Nature-Based Solutions Accelerator Program. This partnership allowed for direct engagement with ten local governments, providing them with mentoring. As a result, four EoIs have been submitted, and two are being prepared.



Working with partners

The impact of the GCoM-Gap Fund partnership is rooted in collaboration and closeness to the city level. Working with partners has been essential in supporting cities to advance climate action, accelerate finance access, and strengthen resilience. By building trusted relationships with key organizations and working closely with cities, the partnership has been able to co-host events, facilitate city-to-city learning, and provide targeted technical support in developing eligible expressions of interest. Such partnerships ensure that cities benefit from a broader network of expertise and resources, helping them navigate the complexities of climate finance and project development.

One example is the collaboration between GCoM and UrbanShift *Accessing Urban Climate Finance* City Academies, organized by ICLEI and C40, to support cities in addressing climate resilience challenges. Throughout 2023 and 2024, the team joined with and organized sessions at multiple regional academies in São Paulo, Brazil (August 2023), Marrakech, Morocco (February 2024), Belém, Brazil (April 2024), Jakarta, Indonesia (July 2024), Ahmedabad, India (October 2024), and Nairobi, Kenya (February 2025). These events focused on helping cities develop strategies for climate finance, urban biodiversity, and clean energy projects.

Another example is the work performed with the GCoM Asia project. In March 2024, the GCoM-Gap Fund team conducted a virtual coaching session with Malaysian cities to help them prepare Gap Fund applications. Cities completed a template describing their project ideas and climate challenges and the team provided feedback to ensure technical alignment with eligibility criteria. As a result, Sandakan, Padawan, and Sibu developed and submitted EoIs by May 2024. The final decision to deliver TA lies with the Gap Fund Secretariat, and it is announced after internal approval.

The value of GCoM extends beyond the initial stages too. It connects Gap Fund-supported cities with broader programs, including the PPF Connector, the Global Project Pipeline, investor roundtables, and events that showcase project success – such as the UrbanShift Africa sessions and other events mentioned in this report. These platforms facilitate knowledge sharing, visibility, and alignment with financial and political processes, increasing a city's chances of securing further backing.

Knowledge exchange and peer-to-peer learning: the Gap Fund Step-Up project

Introduction to the Gap Fund SUP methodology and activities

ICLEI has been a key partner since the inception of the Gap Fund, leveraging its extensive network of cities and the synergies with its core work to promote the initiative and amplify its impact. For instance, through the Transformative Actions Program (TAP), its pipeline of sustainable infrastructure projects, ICLEI supported the submission of 14 Eols to the Gap Fund. This included collaborating with the GCoM-Gap Fund team to develop stronger project concepts and facilitating the handover of some projects for their support.

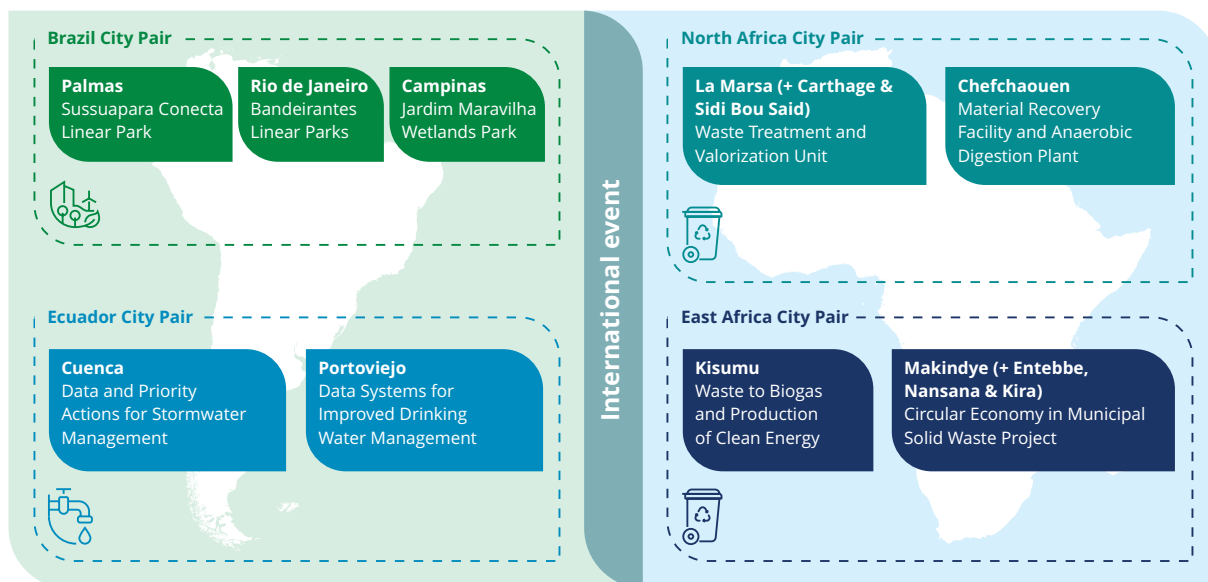
The Gap Fund and ICLEI partnership was further strengthened through the Gap Fund Step-Up (SUP) project, launched in 2023. As the first cohort of Gap Fund TAP projects concluded pre-feasibility studies, the need for post-Gap Fund support was identified as a priority. The Gap Fund SUP was designed to support this through capacity-building and peer-to-peer activities. Through sessions facilitated by ICLEI's experts, city officials exchanged experiences and explored technological and financial solutions for common challenges. Beyond technical capacity building, the SUP aims to foster long-term cooperation by creating communities of knowledge and practice among participating city officials.

The Gap Fund SUP project selected seven cities and two city consortiums in Africa and South America. In South America, the project involved three Brazilian cities – Campinas, Palmas, and Rio de Janeiro – and two Ecuadorian cities, Cuenca and Portoviejo. In Africa, Chefchaouen (Morocco) and Kisumu (Kenya) participated individually and La Marsa (with Carthage and Sidi Bou Said) in Tunisia and Makindye (with Entebbe, Kira, and Nansana) in Uganda came aboard as consortiums. Engagements were conducted over three layers of activities: (1) **city pair activities**; (2) **the regional communities of practice (RCoMPs)**; and (3) **regional in-person workshops**. The Gap Fund SUP culminated in an international event held in Cairo, Egypt, which brought together all the core cities for three days of technical training and discussions on the next steps for project development.



South America Gap Fund City Pair Activities

Africa Gap Fund City Pair Activities



Needs assessments

The Gap Fund SUP tailors its activities to address city-specific needs, identified through a collaborative process. Priority topics are revisited and refined through ongoing dialogue to ensure practical and relevant support.

Main needs identified:

1 Financial planning and investment strategies

- Attracting investment, fundraising strategies.
- Financial roadmaps for execution and governance.
- Guidance on PPPs, inter-municipal cooperation.

2 Stakeholder Engagement and Collaborative Governance

- Inclusive, participatory approaches.
- Multi-level collaboration across sectors.
- Institutional accountability.

3 Sustainable technologies and implementation support

- Guidance on green technologies:
 - Africa: biogas, waste-to-energy, renewable energies, circular economy;
 - South America: Nature-based solutions, data collection and management systems.
- Technical studies: Risk assessments, adaptation measures, monitoring mechanisms.

Activities and methodology

City pair activities are a series of online meetings to connect local governments with similar projects and facing similar challenges in the same country or region, enabling technical experts to collaborate on solutions for their sustainable infrastructure projects. These peer-to-peer exchanges foster knowledge sharing, best practices, and collective action, creating lasting connections and collaborative relationships between the cities for mutual support throughout project development and for accelerating climate action.

The **Brazilian city pair** group, comprising **Palmas, Rio de Janeiro, and Campinas**, focused on (1) developing alternative financing models, such as sources of revenue generation, public-private partnerships (PPPs) with cross-subsidization and mini-concessions, and (2) engaging stakeholders for the implementation and maintenance of linear parks and macro-drainage projects, while also exploring further co-benefits. PPPs emphasizing cross-subsidies were found to be the most suitable financing model during the discussions in the Brazilian city pair activities, while also highlighting the importance of blending different funding sources.

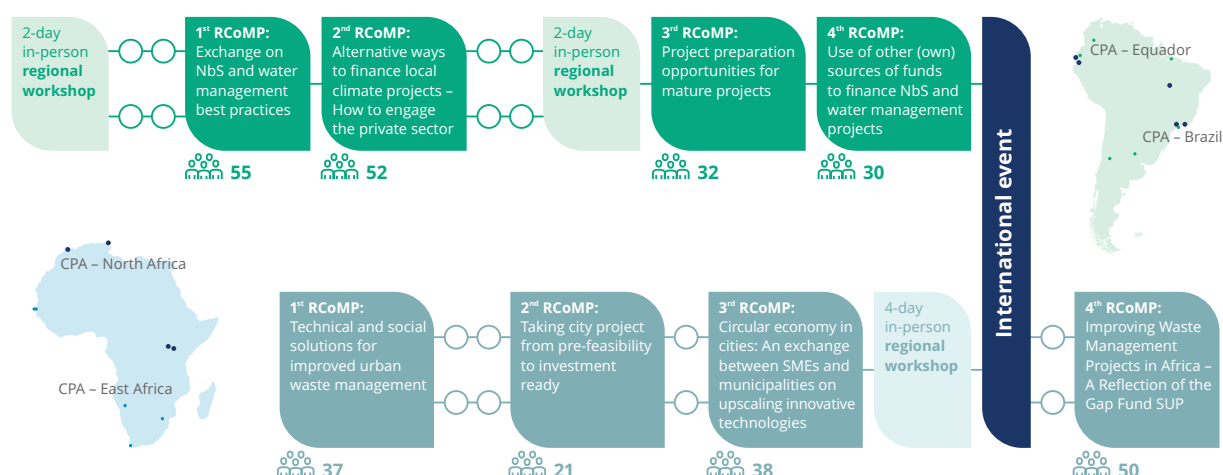
Stakeholder mapping for enhanced collaboration and engagement: Based on a presentation for the “Mananciais Program” in São Paulo, SUP participants identified the importance of partnerships across different city departments to enhance the project’s outcomes and feasibility. As a result, Palmas established an internal working group for multi-departmental collaborations for NbS projects.

The **Ecuadorian city pair** group, consisting of **Cuenca and Portoviejo**, concentrated on comprehensive stakeholder mapping to enhance project implementation, identifying the capacities of stakeholders, exploring governance models, and conducting investor mapping to develop targeted financial planning and support long-term project sustainability for their climate initiatives.

In Africa, two priority themes were identified together with the core cities during the needs assessment process: behavioral change for sustainable waste management and identifying funding sources for waste management initiatives. Both the **North Africa city pair**, comprising **La Marsa (with Sidi Bou Said and Carthage)** and **Chefchaouen**, alongside the **East Africa city pair**, including **Kisumu** and **Makindye-Ssabagabo (with Nansana, Kira, and Entebbe)**, focused activities on the two topics, exchanging and learning more about available solutions.

Sharing innovative solutions for waste management: Inspired by La Marsa’s experience, which included an awareness-raising campaign, the installation of household sorting bins, and a mobile app to track waste collection trucks, Chefchaouen initiated a study to incorporate shared composters and sorting bins into its waste management system.

Gap Fund SUP Activities



Regional Communities of Practices (RCoMPs) are platforms established in both South America and Africa that connect local governments and other stakeholders so that they can exchange knowledge and collaborate on the development of sustainable infrastructure projects. Expanding beyond city pairs, these hubs brought together additional local governments, city networks and experts—including the GCoM-Gap Fund team and GCoM cities—which engaged to address commonly relevant issues, share resources, and support long-term engagement that will continue beyond the Gap Fund SUP. By connecting stakeholders with diverse expertise and resources, RCoMPs create a dynamic space for collaboration, empowering local governments to navigate challenges, access financial solutions, and drive regional climate action.

Regional highlight from South America		Building networks for sustainable climate solutions	
Session 3 – Project preparation opportunities for mature projects		May 2 nd , 2024	32 participants
The 3rd RCoMP session in South America convened cities and key organizations supporting project preparation, including the Global Covenant of Mayors for Climate & Energy (GCoM), the Global Fund for Cities' Development (FMDV), the C40 Cities Finance Facility (CFF), ICLEI's Transformative Actions Program (TAP), and the Cities Climate Finance Leadership Alliance (CCFLA). The session provided cities with actionable insights into making their projects more attractive to financiers and project preparation facilities.			
Takeaways ✦ Aligning local projects with national and global agendas, such as climate action plans and the 2030 agenda, is crucial for securing funding and stakeholder engagement. ✦ Stronger cross-departmental coordination within municipality is essential to secure buy-in and project continuity and leverage knowledge and experience from peers.			

Although city pair activities and RCoMPs were held online, **regional in-person workshops** brought the core Gap Fund SUP cities together to deepen their engagement and foster stronger connections. Tailored to each region’s priorities, these interactive workshops focused on sector-specific technical training and were enriched with practical tools and knowledge products. Because the participants interacted face-to-face, these sessions laid a solid groundwork for sustained collaboration and meaningful knowledge exchange among the cities.

In-person regional event
highlight from Africa

Strengthening Capacity for
Sustainable Waste Management

Regional In-person Event	September 17-20, 2024	24 participants
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Over the four-day workshop, city representatives had the opportunity to engage with a range of sector experts through masterclass sessions focused on:

- 1. **Systems thinking:** mapping key actors and social factors influencing waste management.
- 2. Communications for **behaviour change**.
- 3. **Project preparation needs:** donor mapping to identify funding and technical support opportunities.
- 4. **Innovations in waste management:** insights from real-life examples in African cities.
- 5. **Site visits:** exploring waste management interventions relevant to city projects.



The **RCoMPs** and **City Pair activities**, complemented by the **in-person regional and international events**, have proven to be powerful tools to facilitate knowledge exchange, build inter-municipal relationships, and support cities in collaboratively designing innovative solutions for shared challenges.

Gap Fund SUP international event at the World Urban Forum (WUF) 12 in Cairo

Three-day in person training

November 4-8, 2024

70 participants,
incl. WUF

Held alongside WUF12 in Cairo, the Gap Fund SUP international event brought together city officials from Africa and South America for three days of deep technical exchanges, training, and peer learning. Representatives from all the SUP cities engaged with experts, financial institutions, and PPFs to enhance their financing strategies and advance project readiness. The sessions addressed financial planning, public-private-people partnerships (4Ps), risk management, and PPF opportunities, with a focus on translating pre-feasibility studies into viable, investment-ready infrastructure projects.

Takeaways

- ✦ In-person exchanges are essential for peer learning and building strong communities of practice.
- ✦ **Financial governance and sustainability** remain key bottlenecks; cities must identify viable revenue streams and appropriate project finance governance early on.
- ✦ **People-centered approaches** (e.g. public-private-people partnerships) enhance inclusivity, bolster project buy-in, and build long-term resilience.
- ✦ Integrating **risk management and de-risking strategies** early in the project lifecycle is critical to successful project development.
- ✦ **Strategic alignment with PPF requirements** helps cities unlock downstream technical and financial support.



These initiatives have enabled cities to deepen their understanding of project development, while also enhancing their ability to engage key stakeholders. Additionally, the activities allowed for the exploration of sector-specific technologies, fostering valuable dialogues between cities and experts. This collaboration has nurtured a strong community of practice, where local governments can support one another, refine their strategies, and build enduring partnerships.

Lessons learned from the Gap Fund partnerships

The GCOM-Gap Fund Partnership: advancing from climate project ideas to robust expressions of interest

Capacity Development strategies should address specific challenges. While cities are eager to address climate challenges, many struggle with limited expertise, unclear priorities, and gaps in project preparation. Tailored tools and materials (regionally adapted) and **continued technical support** enhance local-level capacities and promote climate ideas to advance to become robust EoIs. Small-sized cities also benefit from connecting with multiple partners, learning from peers. Addressing deeper systemic issues, such as cultural and language barriers, is as critical as supporting the technical aspects of project development.

External factors impact the Eoi preparation. Translating a project idea into a robust Eoi requires knowledge, time, and effort, and the dedication needed sometimes exceeds the capacities of the local-level representatives. A robust project idea might not translate into an Eoi due to external factors like political instability, added responsibilities, or even disasters. Understanding the project preparation and implementation cycle is essential.

Building trust and strong partnerships with relevant stakeholders at the regional level facilitates access to climate initiatives and project ideas and encourages the delivery of joint activities. This coordination and communication effort translates into expanded visibility and impact for the Gap Fund and increases the impact of the activities. Continuous engagement with different UrbanShift Academies meant continued support for cities in SSA and SEA that submitted robust EoIs. Strategic partnerships, such as those with C40 and ICLEI, have been pivotal in bridging knowledge gaps and connecting cities to the right resource.

Understanding the climate financing landscape and priorities at the regional level is essential to seeking investment opportunities for climate action at a local level. Connections with regional and national development banks and implementing agencies in SEA, LAC, and SSA facilitate the link between a city's needs and the opportunities for implementation.

Working with national and subnational level partners accelerates the identification of local-level climate action priorities (at a national level) and investment opportunities. In Brazil and Egypt, subnational entities promote training events to identify project ideas and formulate robust EoIs.



The Gap Fund Step-Up project: advancing project development through peer collaboration

Peer learning and knowledge exchanges allow cities to share experiences and adapt successful practices to their contexts, fostering a culture of collective action. Cities at different stages of development learn from each other, replicating tested methodologies. For example, Campinas and Rio de Janeiro offered to meet with Palmas to introduce the latter to a tool for quantifying the benefits of nature-based solutions (NbS), demonstrating how peer learning drives knowledge transfer. These exchanges laid the foundation for a growing community of practice, expanding collaborative opportunities across cities.

Improved project design and development with systems-thinking approach activities help cities better understand project development phases, refine designs, and set clear objectives. A key component is the promotion of a systems-thinking approach, encouraging cities to address challenges holistically and to develop adaptable, context-specific solutions. For example, the African SUP participants used the iceberg model and causal loop diagrams to identify waste management challenges and actions to address them, leading to the incorporation of new behavioral components to their project design. Other activities included stakeholder mapping exercises across the regions, helping cities to identify key actors and priorities, ensuring well-targeted and inclusive projects.

Enhanced coordination and institutional capacity emphasize the importance of collaboration across departments and external stakeholders, encouraging improved coordination and leveraging collective expertise for more cohesive and impactful projects. For example, Palmas, inspired by São Paulo, established a multi-department working group that includes health and education officials to discuss its project.

New pathways for project development and financing are explored and cities are connected with project preparation facilities (PPFs) and financial institutions like C40 CFF, the UNCDF's International Municipal Investment Fund (IMIF), the Subnational Climate Fund (SCF), FMDV, UMDf, and others. They help cities understand financing sources and how to structure investment-ready projects and engage with financial partners.





V. Conclusion

The collaboration between the Gap Fund, GCoM, and ICLEI has highlighted the value of leveraging alliances, city networks, and partners to extend the impact of the Fund's technical assistance. These partnerships draw on their close relationships with local and regional governments and stakeholders and their extensive expertise, expanding the impact of these interventions beyond the immediate scope of the Gap Fund's support and supporting cities in translating their climate ambitions into actions. Strengthening such collaborations offers a valuable opportunity for the Gap Fund to advance its mission further, bridging the financing gap, promoting a broader understanding of the project development process, and supporting the preparation and implementation of sustainable infrastructure projects more effectively.

1 Continuity and sustained support

The engagement of city networks provides sustained technical support where local capacities can benefit from additional resources. By maintaining support throughout the entire project lifecycle—from initial awareness-raising to technical assistance and post-Gap Fund development—city networks have facilitated project prioritization, shared strategic opportunities and provided technical knowledge and options. This continuous and close collaboration bridges the gap between the global reach of the Gap Fund and the challenges of local governments.

Nevertheless, local-level technical engagement and continuity remain a challenge. Political transitions, shifts in municipal priorities, and staff turnover disrupt such engagement and, frequently, the opportunity for a project to advance is lost along with the knowledge. Strong climate governance and ownership of climate project preparation that relies on institutional structures instead of individuals can facilitate continuity, but that is not always the case.

City networks advocate for local climate policies that align with national and global frameworks and can provide continued support to the process of defining a project, despite disruptions in the local government. However, local-level ownership and a consistent point of contact are essential.





2 Learning from peers to secure knowledge exchange

Peer learning among cities has proven invaluable at all project stages. While the SUP activities extended over a year and focused on the post-Gap Fund scenario, the GCoM-Gap Fund partnership has shown that such exchanges are equally valuable in shorter engagements at early project stages, focusing project definition and encouraging EoI submissions. These exchanges foster knowledge transfer and mutual learning, strengthening project quality from the outset. However, sustaining peer learning beyond structured programs remains a challenge and a common language for cross-regional exchanges is likewise a barrier.

City networks can foster continuity and promote knowledge exchange in different project preparation stages, securing tailored mechanisms and tools and promoting knowledge continuity. Sectoral dialogue or cooperation between cities with similar realities might trigger unexpected collaborations where cities benefit from their peers' experiences, and city networks can also systematize that knowledge.

3 Tailored materials, language barriers, and virtual engagement

Despite the broad availability of technical documents and specific materials, cities often struggle to apply that knowledge and incorporate technical guidance from such documents. This challenge is particularly relevant for rapidly urbanizing cities seeking precise responses in a rapidly changing environment. Additionally, the limited availability of key technical documents, tools, and guidelines in local languages prevents impactful projects in specific geographies from accessing relevant financing opportunities.

City networks offer multilingual knowledge platforms. With their outreach, local expertise, and a localized approach, they can contextualize global materials, delivering tailored and culturally sensitive communication to different realities and audiences, making the materials relevant and actionable to expand the Gap Fund's reach. They can also support or review the translation of localized training materials for non-English-speaking audiences.



4 Enhanced capacities for submitting an EoI and advancing in the project preparation cycle

Cities often develop ideas for addressing their climate challenges, but those ideas require further refinement to become climate projects. One key contribution of this partnership has been **helping cities to refine their initial ideas into structured proposals** that clearly articulate the project vision, expected impacts and related co-benefits, and preparation and financing needs.

With continued technical support, **training programs, and hands-on mentorship, cities have been supported in elaborating and structuring their applications to the Gap Fund. Additionally, local government capacities have been strengthened by facilitating peer learning and exchanges between cities, sharing best practices and learning from successful cases.**

City networks can work directly with cities, supporting them in shaping **technically robust project concepts aligned with the Gap Fund eligibility criteria. These concepts** have the potential to advance to feasibility stages and are closer to securing investment and financing opportunities.

5 Integrating local and national implementation partners

While international exchanges and global financing opportunities are crucial, local and national partnerships should not be overlooked. Many project development and financing resources remain anchored in national organizations, such as development banks and government programs.

Involving national-level implementation agencies at an early stage in defining local climate projects can ensure that these projects fit within broader development frameworks, increasing the opportunities to access financial support from domestic sources.

City networks can facilitate multilevel dialogue, enhance multilevel governance, and strengthen local government's role in delivering global climate commitments. They can also bridge and facilitate harmonization between global frameworks and local challenges and priorities.



6 Early engagement with potential PPFs and funders

Mapping financing and project preparation opportunities from the outset enables cities to tailor project development to meet specific requirements. Engaging financial institutions earlier in the project preparation cycle and securing their input on project design can significantly improve the likelihood of investment. More structured pathways linking technical assistance to financial support are needed, ensuring that cities do not get stuck in a “preparation trap” with well-developed concepts but no clear route to implementation.

Collaborating with city networks allows cities to identify relevant PPFs and financiers early, ensuring alignment and encouraging funders to provide feedback and build ownership over the projects as they develop.

In conclusion, the Gap Fund, GCoM, and ICLEI partnerships demonstrate that long-term engagement with city networks is essential for ensuring project continuity and effectiveness. City networks have played a critical role in amplifying impact by extending support along the project lifecycle – from initial awareness-raising through to technical assistance and post-Gap Fund development.

Looking ahead, one promising area of impact lies in aggregation. GCoM and the Gap Fund are uniquely positioned to support smaller and secondary cities—often overlooked in climate finance—by bundling project needs and amplifying their visibility. Through its extensive network and ongoing regional engagements, GCoM can act as a convenor and intermediary, facilitating innovative financing approaches such as light-touch technical assistance or theme-based investment events (e.g. on waste finance). These evolving efforts point to a more integrated, scalable, and inclusive Gap Fund model.

The Gap Fund, as one of the largest PPFs supporting cities in the early stages of project definition, has the opportunity to address the challenges of rapidly urbanizing cities in developing countries. By working closely with city networks and partners that effectively support local governments, delivering tailored solutions and ensuring that the climate project ideas advance from the conceptual stage and move closer to the implementation stage, the Gap Fund has amplified its impact.



Medellín, Colombia
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