

# IURC at the WUF11 in Katowice- June 27<sup>th</sup> 2022

How can cities be designed/rethought/co-created to contribute to the transition to net-zero emissions through attractive and financeable pilot projects?



*The World Urban Forum is the premier global conference on sustainable urbanization where all key actors from the quadruple helix meet to transform our cities for a better urban future. Our event was included in the Dialogue Greener Urban Futures highlighting the need of greener investment and sustainable consumption and production patterns.*

**WORLD URBAN FORUM**  
ELEVENTH SESSION



KATOWICE, POLAND | 26-30 JUNE 2022

## The Challenge Identified

in the frame of International Urban & Regional Cooperation, the exchanges sometimes end up inspiring improvements in existing projects or even replicating a concrete pilot in a city or region. But there is a gap between the definition of these investments and the lack of funding or financing to implement them.

## The Objective of the session

to improve the attractiveness of projects for private and public financing entities. What are the key factors that need to be incorporated, in what time of the project lifecycle, through which management systems?

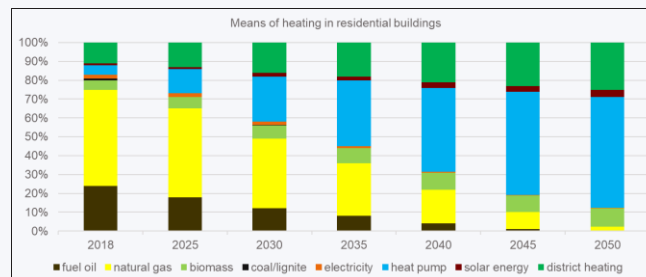
## The DG REGIO moderation

showing the support of the European Commission to the IURC programme and the objectives of this session. Facilitated by *Dr. Roland Hall, Senior Advisor to DG REGIO*

## Three Case Studies:

### 1 Manheim's initiative on climate-neutral building stock by 2045

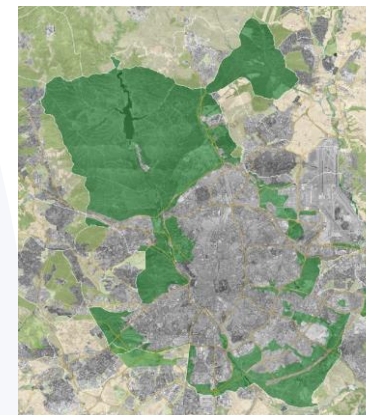
*Christian Specht, First Deputy Mayor - Mannheim City Council, Germany*



the Mannheim strategy to increase renovation rate, replace fossil-based heating, decentralize electricity production (photovoltaic), and increase greening of roofs & facades.

### 2 Madrid Urban Forest

*Nicolas Gharbi, Principal Advisor, City Diplomacy and International affairs, Madrid City Council, Spain*



a 75 km. ring greening of public space restoring the land and its ecosystems, improving air quality, health, ecological and landscape recovery, and access to green areas for all, increasing pedestrian and bicycle paths.

### 3 Valle del Cauca Region Green Route - Ruta Verde

*Sandra Susana Montoya Ramirez, Analyst for International Relations, Propacifico*



to boost daily trips by bicycle and compatible modes contributing to air quality improvement while increasing road safety, reducing social inequality and spatial segregation in the Cali Metro Area (Colombia).

## 1 European Investment Bank (EIB): bankable projects

The project has to be well defined and have a high level of implementation readiness, but the project promoter, or borrower, has to be creditworthy and technically capable for the project to go ahead.

### Madrid- urban forest

How does the project have access to land? The access to land has to be secured before the project can go ahead.

How will the new urban forest be managed? Who will manage it? What will be their rights and obligations towards the new forest? Will the forest be open to the public, who will be able to benefit from the forest products?

### Cauca- green routes

What are the complementary facilities that can motivate the use of the bike trails, for instance, a train line?

A common agreement between all involved municipalities establishing a unique governance mechanism, and clearly deciding on each municipalities' financial obligations towards the project could help.



*Grzegorz Gajda, Senior Urban Sector Specialist, EIB Luxembourg*

### Mannheim – district heating

Technical questions and the topics of implementation arrangements are key.

There are two types of final users in this type of projects. An owner of a private house can in theory obtain a mortgage loan. However, maybe not every private house owner will be creditworthy? Or, maybe there are other potential difficulties in technical implementation that need to be analysed more in detail?

For the multi-family buildings, what is the rate of improvements of energy efficiency parameters. If they will improve quickly, the district heating may no longer be attractive as a heating solution.

Organization and governance are key.



# TAKE AWAYS

## 2 MERIDIAM - The Urban Resilience Fund (TURF): equity financing

Funding ≠ Financing: equity investors and lenders only provide financing for initial investments, which must be paid back in the long term by someone we must identify.

Equity investors are not only providers of capital but “development partners” whom are involved in the design and implementation process and who will be project partners.

The equity investor will bring a long-term perspective and focus (15-25 years) participating in the whole project life cycle, with early investment.

In “public goods” projects long term funding comes primarily from public payments. For such projects an availability – payment PPP approach could work as the right model if it understood that the private investor has an added value to the delivery of the project. In the case of district heating of Mannheim there are economic flows and revenue streams that make it possible to consider a larger range of business models.

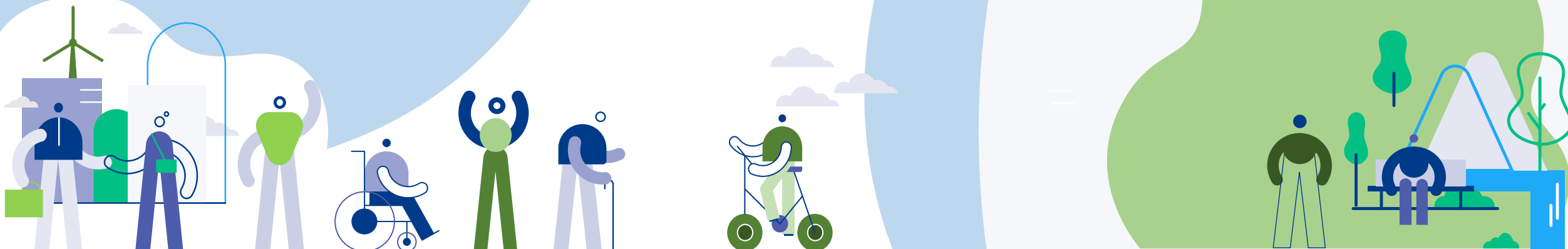


*Salim Bensmail, Executive Director of The Urban Resilience Fund (TURF), MERIDIAM, France*

City projects are sometimes smaller than other infrastructure projects. Sometimes platforms as third party investors are created to link public projects with private investors but there is a need of a critical mass before creating incentive mechanisms between private investors and cities.

Address the challenges of urban infrastructure complexity.

Capacity of cities to structure and bring projects to market, especially in areas such as energy transition where business models are elusive.







**International Urban and Regional Cooperation to rethink sustainable urban and innovative models for a greener and better future**

**WUF11 Dialogue: Greener Urban Futures  
Katowice, 27 June 2022**

