City Climate
Finance Gap Fund

City Climate Finance Gap Fund

Annual Report

2022

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CITY CLIMATE FINANCE GAP FUND
ANNUAL REPORT 2022

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Abbreviations and acronyms

BMWK	The Federal Ministry for Economic Affairs and Climate Action
BMZ	Federal Ministry of Economic Cooperation and Development of Germany
C40	C40 Cities Climate Leadership Group
CCAP	Climate Change Action Plan
CCFLA	Cities Climate Finance Leadership Alliance
CDP	Carbon Disclosure Project
CIF	Cities Investment Facility
CPI	Climate Policy Initiative
EIB	European Investment Bank
GCOM	Global Covenant of Mayors for Climate and Energy
GHG	Greenhouse Gas
GIZ	German Agency for International Cooperation
GPSC	Global Platform for Sustainable Cities
ICLEI	Local Governments for Sustainability
IPCC	Intergovernmental Panel on Climate Change
LoCS4Africa	Local Climate Solutions for Africa
LUCI	Leadership for Urban Climate Investment
LUX	Luxembourg Ministry of Environment
MDTF	Multi-Donor Trust Fund
SIF	Sustainable Infrastructure Foundation
UCLG ASPAC	The United Cities and Local Governments Asia Pacific
UNDRR	United Nations Office for Disaster Risk Reduction
UNFCCC	United Nations Framework Convention on Climate Change

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Foreword

This past year the world continued to feel the impacts of the aftermath of COVID-19, of conflict and fleeing populations, and of climate change. Cities, home to more than half of the world's population, are uniquely vulnerable to all these impacts, urging them to become more resilient than ever before. Particularly due to the impacts of climate change, 70 percent of cities have had to deal with the unfavorable effects on their citizens and infrastructure, with implications for lives, livelihoods, and national budgets. Moreover, these effects are heightened for communities that can afford it the least. Cities remain as the prominent source of greenhouse gas emissions, consuming two-thirds of global energy and accounting for more than 70 percent of GHG emissions.

So whether it is focusing on low-carbon investments or tackling inequalities in terms of access to sustainable housing, transportation, or health, cities' decisions on future investments will determine the global trajectory of the impacts of climate change. The earlier we invest in low-carbon and resilient cities, the more cost- and time-effective that investment will be to secure a sustainable future for all.

During its second year of operation, the Gap Fund has continued to work towards scaling up climate mitigation and adaptation in cities by filling in the critical gap in technical assistance funding at the early stages of planning and project design. These efforts demonstrated action and impact to transition cities to low carbon pathways and were showcased during COP26 and WUF11. During high-level events such as these, the Gap Fund proved once again that it is fit for purpose.

In line with its commitments under the World Bank's Climate Change Action Plan 2021-2025, the Gap Fund scaled up its portfolio in FY22. As a result, the number of city-level technical assistance activities approved grew by 135 percent compared to last year. The Gap Fund also expanded its knowledge-sharing efforts both externally and internally, collaborating with the European Investment Bank (EIB), Tokyo Development Learning Center (TDLC), Global Platform for Sustainable Cities (GPSC), and the Bank's Climate-Smart Cities Community of Practice. Matching this momentum while promoting the Gap Fund's goals among city leaders, governments, and partners will be the challenge for FY23.

This report highlights the progress made from July 2021 to June 2022. This includes the new grants that were awarded in FY22 and details of the concluded technical assistance activities initiated in FY21. It also provides an overall picture of the many virtual knowledge sharing and outreach events organized in FY22 and the new technical knowledge products developed over the last 12 months.

We are grateful for the support received from our donors, the German Federal Ministry for Economic Affairs and Climate Action (BMWK) and Federal Ministry for Economic Cooperation and Development (BMZ) and the Luxembourg Ministry of the Environment, Climate and Sustainable Development, our implementing partner, the European Investment Bank (EIB), as well as our city network partners including Cities Climate Finance Leadership Alliance (CCFLA), C40, Global Covenant of Mayors for Climate and Energy (GCOM), and Local Governments for Sustainability (ICLEI).

Bernice K. Van Bronkhorst
Global Director, Urban, Disaster Risk Management, Resilience and Land Global Practice

Semarang, Indonesia

Executive Summary

This annual report presents the implementation progress and results achieved by the World Bank Gap Fund Multi-Donor Trust Fund (MDTF) over the fiscal year 2022 (FY22), covering the period from July 1, 2022, to June 30, 2022. FY22 marked the first full fiscal year of operation for the City Climate Finance Gap Fund (the Gap Fund). During FY22, the Gap Fund significantly scaled up its operations compared to the previous fiscal year. Especially under Track 1, which focuses on technical support for low-carbon, climate-resilient city development. The amount of support mobilized under city-level technical assistance grew by 135 percent compared to last fiscal year. In addition, the number of cities receiving Gap Fund support went from 11 to 51, expanding the Gap Fund's reach and increasing its impact.

Under Track 1, the Bank Gap Fund approved technical assistance grants totaling EUR4.5 million to help 51 cities over 17 countries transform their climate ambitions into finance-ready projects during FY22. The grants support cities in Indonesia, India, Yemen, Ukraine, Philippines, Colombia, Maldives, Tanzania, Kenya, Cambodia, Mongolia, Argentina, Mali, Rwanda, Egypt, Turkey, and South Africa. Supported activities identify the sources of urban greenhouse gases (GHGs), design scenarios to see how urban growth and form will affect future GHGs, strengthen sustainable low-carbon solid waste management strategies, promote nature-based solutions and prioritize critical policies and infrastructure investments for cities. The grants also aim to coordinate local and national climate change action planning to help build low-carbon, resilient, and livable cities.

Under Track 2, the Gap Fund produced six technical knowledge products, including (i) The Analysis of Climate Action Plans in Latin America and the Caribbean, (ii) Enhancing Climate Financing in China's Cities, (iii) The Implications of Electric Vehicles for Urban Public Space, (iv) Low-Carbon Slum Upgrading, Global Urban Carbon Emissions - Data Sources, and (v) Methodology to Assess Reduction Pathways for Greenhouse Gas Emissions - An Urban Approach.

During FY22, the World Bank Gap Fund MDTF hosted a Technical Deep Dive (TDD) on low-carbon climate-smart cities, together with TDLC, Gap Fund, Global Platform for Sustainable Cities (GPSC), and the World Bank's Sustainable City Infrastructure and Services Global Solutions Group (SCIS GSG) and Climate-Smart Cities Community of Practice (CoP) to facilitate the exchange of knowledge and experience. Following the TDD, the Gap Fund, SCIS GSG, and Climate-Smart Cities CoP organized the Master Class on low-carbon city development, aiming to build the foundational knowledge and skills necessary to help GPURL operational teams and their client cities to better understand the impacts of climate change and transition to low-carbon development pathways.

In FY22, the Gap Fund continued focusing on advocacy and knowledge sharing on issues around cities and climate change, expanding external outreach events. These efforts included high-level virtual events, webinars, presentations on the Gap Fund's offering, exchange of knowledge and experiences on approaches, tools, and platforms available to cities to develop their strategies and projects for low carbon and resilient urban development. 26th UN Climate Change Conference of the Parties (COP26) particularly provided an important platform to position the Gap Fund as a critical initiative to support cities' climate ambitions. WB and EIB Secretariats jointly hosted two events to promote the Gap Fund while contributing to two other sessions organized by its partners. The Secretariats have also jointly presented the Gap Fund in 17 global and regional events organized by the Gap Fund partners during FY22.

A recipient-executed grant to GCOM was approved in FY22, which seeks to: (i) raise awareness of cities and city networks about the Gap Fund, its activities, the types of support available and the process for preparing an application; (ii) conduct outreach activities to promote low-carbon, climate-resilient city development; and (iii) provide capacity development support to city governments to identify and seek to overcome the challenges they face in evolving sustainable energy and climate action plans into projects that can contribute to climate change mitigation and adaptation outcomes. The World Bank Gap Fund Secretariat will supervise the activities under this program for the duration of the grant.

An in-person meeting in Bonn on June 7 and a Partnership Forum on February 25 was held to provide a platform for sharing experiences and expertise and exchanging knowledge and ideas among key stakeholders in the city climate finance arena to inform the overall strategy and direction of the Gap Fund. Participants included representatives from The Federal Ministry for Economic Affairs and Climate Action (BMWK), Federal Ministry of Economic Cooperation and Development (BMZ), Luxembourg Ministry of Environment (LUX), WB, EIB, The German Agency for International Cooperation (GIZ), GCOM, ICLEI, Climate Policy Initiative (CPI), CCFLA and C40.

In the next fiscal year (FY23), the Gap Fund will continue to accelerate the implementation of city-level technical assistance under track 1, build on the experience of the technical assistance activities to promote knowledge sharing, and leverage Gap Fund's partners to continue raising awareness about the Gap Fund and facilitate cities' access to the most relevant approaches, tools, and platforms for low carbon and resilient urban development. As a result, the Gap Fund targets a scale-up of its technical support to low-carbon, climate-resilient city development by adding 16-24 cities to its portfolio. The WB Secretariat will also continue working with EIB and key partners to raise awareness about the Gap Fund, organizing in-person and virtual peer-to-peer learning and knowledge exchange activities on low carbon, resilient urbanization at the city, regional or global levels.

Bamako, Mali

Denpasar, Indonesia

I. Introduction

The City Climate Finance Gap Fund (Gap Fund) is a multi-donor initiative established in September 2020 that aims to help cities in developing and emerging countries realize their climate ambitions by turning low carbon, climate-resilient ideas into strategies and finance-ready projects. The World Bank (WB) and the European Investment Bank (EIB) jointly implement the Gap Fund through two multi-donor trust funds—WB Gap Fund MDTF and EIB Gap Fund MDTF—in close partnership with city networks and other key partners including C40, Global Covenant of Mayors for Climate and Energy (GCOM), Local Governments for Sustainability (ICLEI), and Cities Climate Finance Leadership Alliance (CCFLA).

This annual report summarizes the progress made by the World Bank Gap Fund MDTF during fiscal year 2022 from July 2021 to June 2022. Section I presents an overview of the Gap Fund, its background, objectives and activities, as well as its governance and implementation arrangements. Section II presents the implementation progress of the Gap Fund activities under Track 1 – Technical support for low carbon, climate-resilient city development, and Track 2 – Partnerships, knowledge sharing and standardization. Section III provides a brief summary of the monitoring results and progress of monitoring indicators and section IV offers the financial summary of the Gap Fund. Finally, the last section presents a brief overview of the work ahead and planned activities for next fiscal year.

Bogota, Colombia

I.1. Program Context – Cities and Climate Change

Cities must be at the center of both climate change adaptation and mitigation efforts. Rapid urbanization in low- and middle-income countries (LMICs) has been poorly managed thus far, resulting in a high proportion of the world's population being vulnerable to extreme weather events. The global urban population is projected to increase by 2.5 billion by 2050. Nearly 90 percent of this growth is concentrated in Asia and Africa, increasing the share of the world's population living in urban areas to 75 percent (UN 2018). Recent analyses of disaster impacts show that a high proportion of the world's population most affected by extreme weather events is concentrated in urban areas (UNISDR 2009, 2011; IFRC 2010). Rising global temperature and resulting sea level rise increases the frequency and intensity of extreme weather events, such as floods, droughts, storms, and heatwaves. This significantly constrains cities' ability to provide basic services, maintain infrastructure, provide adequate housing, and ensure resident's livelihoods and health. By 2050, more than one billion people located in low-lying cities and settlements will be exposed to coastal-specific climate hazards. Most of the population exposed to heatwaves will live in urban centers, which will experience higher temperatures than surrounding areas due to the urban heat island effect. Even at 1.5°C warming, 350 urban residents will face water scarcity due to severe droughts; at 2°C warming this figure is 410 million.[1]

While cities are vulnerable to the effects of climate change, they are also the greatest contributors to climate change, and therefore must take the lead on reducing emissions. The share of global greenhouse gas emissions that can be attributed to activities in urban areas is increasing, from 62% in 2015 to 67-72% in 2020.[2] While cities in LMICs contribute a very small fraction of global emissions at present, the combination of rapid urbanization and economic growth could result in a surge in emissions from these cities in the coming decades unless action is taken to set them on low-carbon trajectories today. In addition to a growth in urban emissions from transportation, residential and commercial energy use, and waste, urban expansion results in increased emissions related to the deforestation and the use of carbon-intensive materials for buildings and infrastructure. Urban areas could triple in size by 2050. Spatial planning to achieve compact, coordinated, and resource-efficient urban growth can reduce urban emissions by up to 25% during this period, compared to a business-as-usual scenario.[3] Scaling up investment in sustainable urban infrastructure will be essential to achieve the goals of the Paris Agreement to limit the global temperature increase to well below two degrees Celsius as well as strengthen climate change adaptation and resilience.

1 IPCC AR6 2022

2 Ibid.

3 Ibid.

An estimated US$93 trillion of sustainable infrastructure needs to be built by 2030—over 70 percent of which will be built in urban areas.[4] This low carbon investment entails higher capital expenditure required upfront for newer but costly technology to improve energy efficiency in buildings and power generation. It also includes anticipated efficiency gains and savings from transitioning to more energy-efficient urban development, reducing fossil fuel subsidies, and adopting more sustainable infrastructure solutions[5]. New infrastructure could cost LMICs anywhere between two percent and eight percent of gross domestic product (GDP) per year up to 2030, depending on the quality and quantity of service aimed for and the spending efficiency achieved to reach this goal.[6] Future emission trends will depend on whether infrastructure built in cities is aligned with the planetary boundaries or whether investment decisions are made that lock in an unsustainable, destructive pathway. But with the right policies, investments of 4.5 percent of GDP will enable LMICs achieve the infrastructure-related sustainable development goals (SDGs) and stay on track to contain the average global temperature increase to two degrees Celsius.

Cities around the world face challenges in becoming resilient and climate smart. Several gaps hinder cities from reaching these goals— limited capacity, lack of technical knowledge, and lack of access to upstream and downstream financing. Even if cities have drafted preliminary climate diagnostics or action plans, many do not have the means or capacity to take the next step. Taking cities' development needs into account, the Gap Fund aims to increase funding dramatically for the formulation of upstream climate strategies and analytics and support cities in understanding their challenges using a holistic, systematic approach while defining a range of priority actions or interventions that address these challenges.

Finally, in an environment where resources and expertise are limited, the Gap Fund was established at a critical juncture where we face overlapping crises: a devastating global pandemic, a historic economic downturn, and a warming planet. Cities are on the frontlines of many pressing challenges, and they are where our shared sustainable future can and must be won. This moment in history presents global, national, and local leaders, dwellers, and financiers a moment of collective reflection on planning, rebuilding, and reimaging to provide a healthy, vibrant, and green future. The Gap Fund seeks to change the nature of engagement between cities and relevant stakeholders by promoting ambitious mitigation and resilience actions. It is well placed to deploy a range of technical assistance and investment preparation support to aid in cities' transition to a greener and more inclusive recovery.

[4] The New Climate Economy Global Commission on the Economy and Climate report (2014) adopted a detailed sectoral analysis estimating global investment needs for sustainable infrastructure between 2015 and 2030. Using existing technologies and investment patterns as the "business as usual" scenario, the study projects that a total cumulative investment of $88.61 trillion will be needed between 2015 and 2030, which then rises to $93 trillion on a net basis when adopting a low-carbon investment strategy.

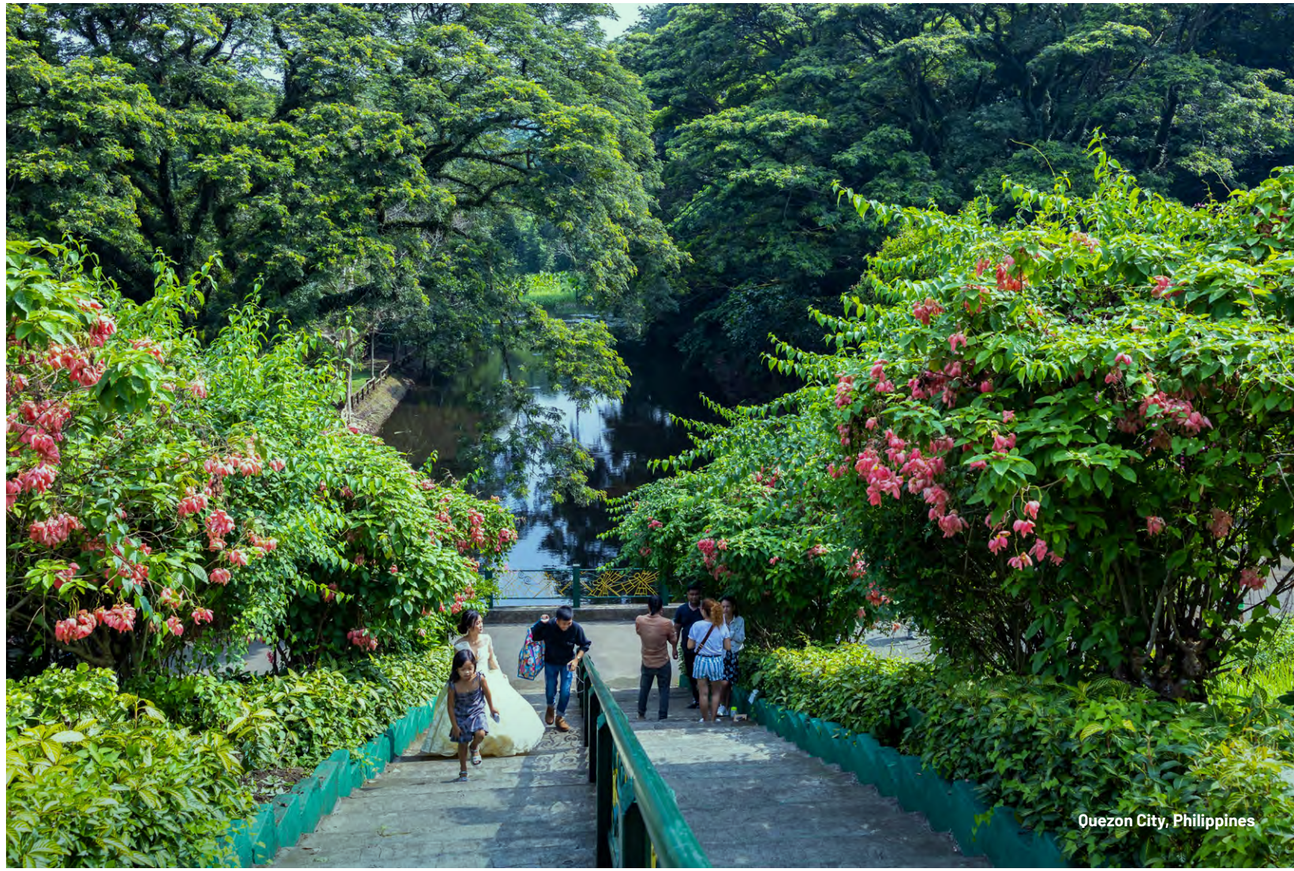
[5] Global Commission on the Economy and Climate, 2016

[6] Rozenberg, Julie, and Marianne Fay, eds. 2019. Beyond the Gap: How Countries Can Afford the Infrastructure They Need while Protecting the Planet. Sustainable Infrastructure Series. Washington, DC: World Bank. doi:10.1596/978-1-4648-1363-4. License: Creative Commons Attribution CC BY 3.0 IGO

City Climate Finance Gap Fund Fiscal Year 2021 Annual Report

I.2. Gap Fund Mission and Objectives

The development objective of the Gap Fund is to help cities in LMICs transition toward low-carbon and climate-resilient pathways in line with global efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels. The initiative aims to increase funding to develop upstream climate strategies and analytics to meet a city›s development needs. Additionally, the purpose of the Gap Fund also supports cities in understanding their challenges using a holistic, systematic approach and defining a range of potential actions to address these challenges. Consequently, the Gap Fund supports cities to address the complexity of climate adaptation and mitigation, along with low-capacity issues, by connecting different actors across government levels, sectors, and public as well as private parties (figure I-1). The Gap Fund contributes, although indirectly, to decarbonizing the economy and preparing infrastructure for climate hazards by focusing on climate change mitigation and adaptation. This also includes crucial coordination among relevant stakeholders such as city networks, and technical and financial experts.

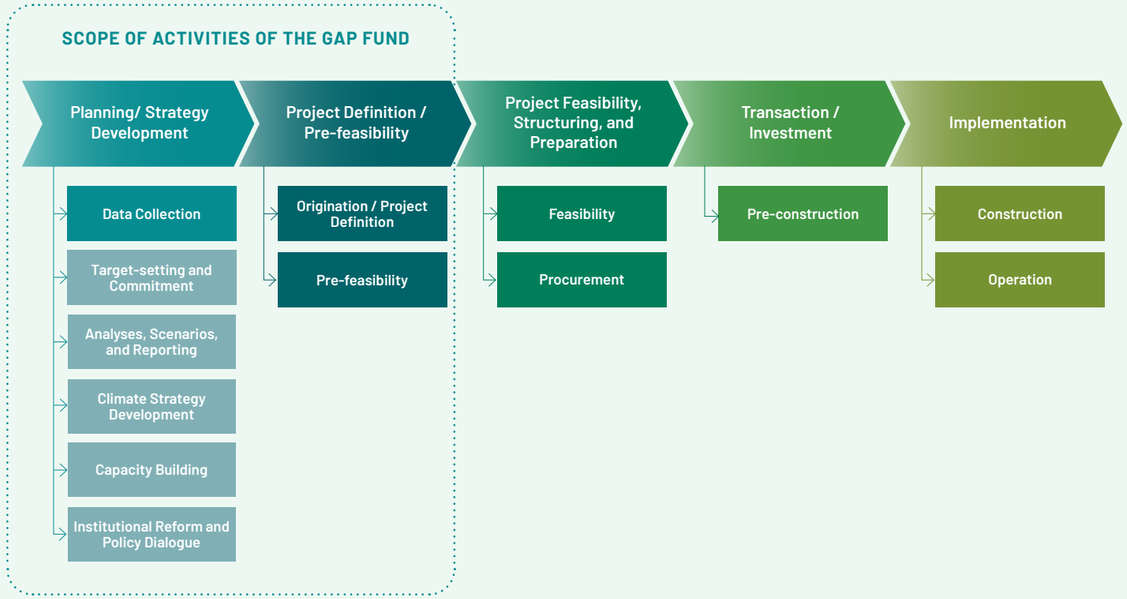


Quezon City, Philippines

In its efforts to achieve these goals, the Gap Fund assists cities in the early stages of the project preparation. It:

- Provides capacity building for low carbon capacity and climate-resilient urban development;
- Supports city climate strategy development and the generation of in-depth analytics to assess climate action and resilience potential of plans, strategies, and investment programs;
- Defines project concept definitions and the components of pre-feasibility studies;
- Supports the prioritization of investments as part of a climate strategy or investment program;
- Supports a strengthened approach to project financing;
- Sources additional support for later stages of project preparation; and
- Offers potential support to fill in other project preparation gaps.

FIGURE I-1: SCOPE OF SUPPORT PROVIDED BY THE GAP FUND




Malé City, Maldives

I.3. Gap Fund Governance and Implementation Arrangements

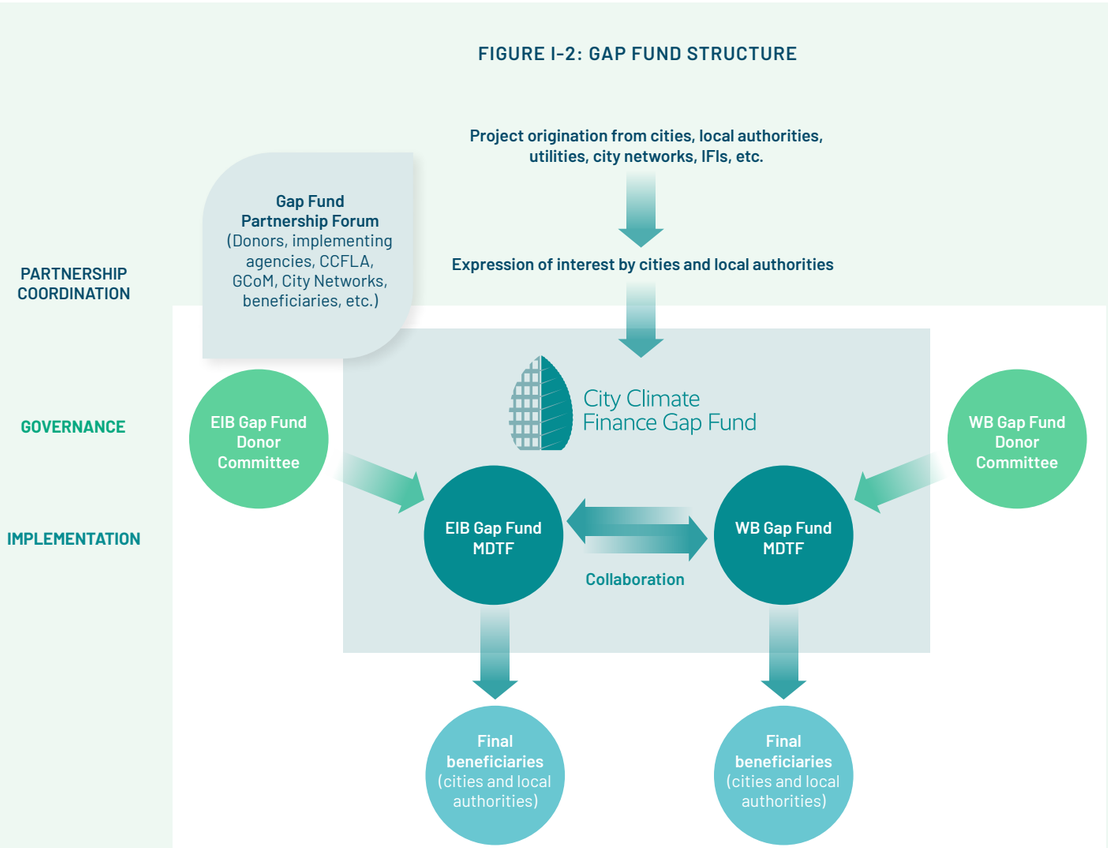
The Gap Fund provides support to cities through two implementing agencies: the World Bank and EIB. The World Bank and EIB bring a unique mix of long-standing expertise in sustainable development, climate finance projects, and urban renewal. Each implementing agency administers a MTDF with strong coordination between the separate World Bank and EIB Secretariats under "One Gap Fund" architecture related to partnerships, governance, and implementation.

Partnerships: The Partnership Forum provides a platform for sharing experiences and expertise and exchanging information and ideas between key players in the city climate finance arena to inform the overall strategy and direction of the Gap Fund.

Governance: Donors provide strategic and direction to the two MDTFs through their respective donor committees. The donor committees are held concomitantly with cross participation from the World Bank and EIB Secretariats as observers in each other's donors committee to ensure coordination and consistency between the two MDTFs.

Implementation: The World Bank and EIB coordinate implementation along with other key partners including city networks to ensure integrated outreach, selection, and support mechanisms under the "One Gap Fund" brand. This includes: (i) joint outreach, communication and knowledge sharing activities carried out in partnership with city networks and other key partners; (ii) a "One Gap Fund" website offering information on both Gap Fund MDTFs and the ability for cities to submit an Expression of Interest (EOI) to the Gap Fund; and (iii) coordination mechanisms for the World Bank and EIB to screen EOIs and agree on further processing by either of the two MDTFs (figure I-2).

FIGURE I-2: GAP FUND STRUCTURE



I.4. World Bank Gap Fund MDTF Activities

Activities of the World Bank Gap Fund MDTF are organized into three tracks:

- **Track 1** – Technical support for low-carbon, climate-resilient city development. This track provides support to cities in the development or expansion of climate strategies, plans and policies, as well as identification, prioritization, and early-stage preparation of climate-smart projects to the selected cities following the application process (see figure II-1).
- **Track 2** – Partnerships, knowledge sharing and standardization. This track aims to strengthen knowledge generation, knowledge sharing, and partnerships for city climate action. Activities under this track contribute to the development of flagship reports, technical notes, and technical tools, and the organization of workshops and webinars, outreach events, and regular meetings of the Gap Fund Partnership Forum.
- **Track 3** – Program management and trust fund administration. This track supports management of the partnership program and administration of the Trust Fund. It facilitates annual work programming, monitoring and evaluation, outreach, communications, coordination, reporting, and trust fund administration and governance in accordance with the World Bank's policies and procedures.

Erdenet, Mongolia

Buenos Aires, Argentina

II. Status of Program Implementation

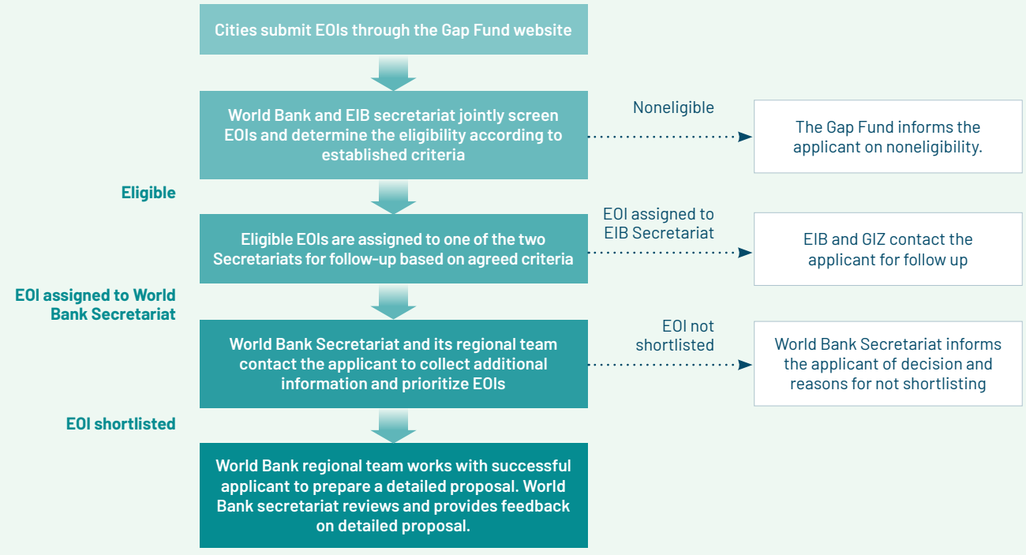
Over the past fiscal year FY22 (July 1, 2021 to June 30, 2022), the Gap Fund has initiated activities under tracks 1 and 2. This section summarizes the status of city engagements as well as program management and communications-related activities.

II.1. Track 1

EXPRESSIONS OF INTEREST RECEIVED

The Gap Fund proactively facilitates the demand from a broad range of cities for support on climate strategy formulation and climate analytics, focusing on the high potential for climate impact. In its effort to collaborate with cities, the Gap Fund solicits applications—Expressions of Interest (EOIs)—on a rolling basis. The applicants can access the EOI forms through the Gap Fund website[7]. Applicants identify the city's existing plans and studies on climate strategy development, understand the type of support requested, and assess the eligibility of the proposed activity. The EIB and World Bank Secretariats then screen the received EOIs through biweekly meetings under the guidance of the eligibility criteria (figure II-1).

FIGURE II-1: OVERVIEW OF THE GAP FUND EOI REVIEW PROCESS

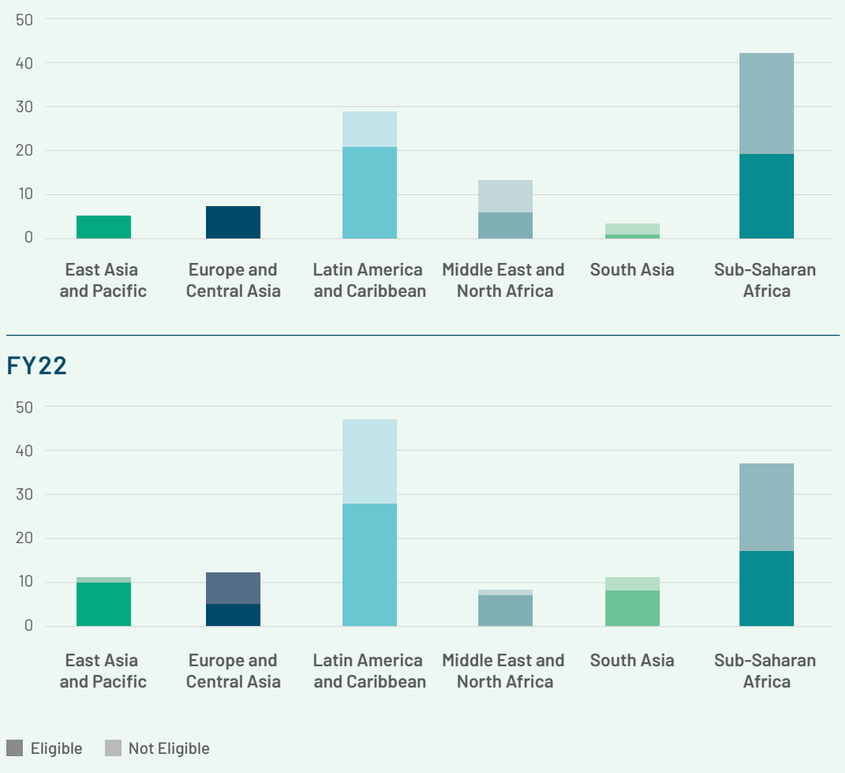


[7] https://www.citygapfund.org/apply-for-support

The Gap Fund received 242 EOIs between its inception and the end of FY22. Of these, 116 EOIs were received in FY21 and 126 in FY22 (figure II-2). Of the EOIs received in FY22, 75 were eligible and 51 were not. Following the similar analysis conducted in FY21 three frequent reasons were observed behind ineligibility : (i) ineligibility of the applicant—for instance, EOIs submitted by an individual or a private entity with no direct link with a city administration; (ii) lack of a clear climate focus—for example, the EOI requests support for investment in municipal infrastructure without identifying a specific focus on climate mitigation or adaptation; and (iii) incomplete applications - such as when sections of the EOI were left blank or the project details and specification of the technical assistance requested from the Gap Fund were not mentioned.

EOIs came from all regions, with significant difference between the share of EOIs received from the different regions. Figure II-2, also presents the breakdown of EOIs received, based on the six World Bank regions they originated.

FIGURE II-2: EOI DISTRIBUTION ACROSS REGIONS, FY21 AND FY22



The disparities between regions in terms of EOI eligibility have changed across regions between FY21 and FY22. Latin America and Caribbean (LCR) accounted for the largest share of EOIs received in FY22 and less than half of the EOIs received from that region were found to be ineligible. Sub-Saharan Africa (SSA) which constituted the highest share of EOIs in FY21, represented 30% of the EOIs received in FY22. Half of the FY22 SSA applications were found to be ineligible. Following these two regions EOIs received from Eastern Europe and Central Asia (ECA), South Asia (SAR), East Asia and Pacific (EAP) and Middle East and North Africa (MNA) constituted the rest of the pool with higher eligibility rates with the exception of ECA.

TECHNICAL ASSISTANCE ACTIVITIES APPROVED IN FY22

In FY21, the World Bank Gap Fund MDTF approved technical assistance grants totaling EUR1.9 million to support 11 cities in the Democratic Republic of Congo, Ethiopia, India, Kosovo, Mexico, Morocco, Panama, Senegal, and Vietnam. The projects focused on five main areas: comprehensive climate-smart urban planning, sustainable waste-management, nature-based solutions, promoting resilient building and urban mobility.

During FY22 the World Bank Gap Fund approved technical assistance grants totaling EUR4.5 million to help 51 cities over 17 countries transform their climate ambitions into finance-ready projects. The grants are supporting cities in Indonesia, India, Yemen, Ukraine, Philippines, Colombia, Maldives, Tanzania, Kenya, Cambodia, Mongolia, Argentina, Mali, Rwanda, Egypt, Turkey and South Africa as they identify the sources of urban greenhouse gases (GHGs), design scenarios to see how urban growth and form will affect future GHGs, strengthen sustainable low-carbon solid waste management strategies, promote nature-based solutions and prioritize critical policies and infrastructure investments. The grants will also facilitate coordination between local and national level climate change action planning to help build low-carbon, resilient, and livable cities. Map II-1 presents an overview of the cities supported by the technical assistance activities approved in FY22.

Semarang, Denpasar and Banjarmasin (Indonesia): This grant supports selected secondary cities with analytics, modelling tools and assessments of climate-smart investment opportunities with the dual objective of efficient infrastructure spending and low-carbon development. Beneficiaries are residents of secondary cities and peripheral rural areas under threat of degradation of living environments as a result of urban sprawl. The activities under this grant seek to address the needs to retrofit the existing urban footprint, and better prepare urban managers to plan future expansion. The expected closing date for the grant is July 2023.

Mangalore and Kolar (India): This grant supports a comprehensive city-level diagnostic for Mangalore and Kolar to address the existing SWM service delivery gaps and support the development of solid waste management service delivery action plans, pre-feasibility of solid waste management interventions and greenhouse gas scenario modeling. The activities aim to address key barriers in terms of technical, institutional and financial aspects to effective SWM service delivery to achieve resource efficiency and mitigate the effects of climate change. The grant draws wider lessons to inform and conceptualize further SWM projects for consequent scaling up efforts in the Karnataka State. The expected closing date for the grant is December 2022.

Aden (Yemen): This grant identifies potential areas of investment for reconstruction of water and sanitation, urban mobility, solid waste management, energy and housing sectors and create a pilot project model for low carbon reconstruction that could potentially attract further climate finance and climate relevant technologies to support the reconstruction process. This evidence-based pilot project will set an example on the benefits of low carbon reconstruction efforts in the mid-to-long run. The expected closing date for the grant is December 2022.

Poltava City (Ukraine): This grant supports the stocktaking of existing data by reviewing sectoral plans and integrated urban plans developed by the city, and deployment of a climate change mitigation action planning tool to undertake inventory of GHG emission and identify priority sectors and interventions in terms of reducing GHG emission and energy use. The expected closing date for the grant is March 2023.

MAP II-1: MAP OF TECHNICAL ASSISTANCE ACTIVITIES APPROVED IN FY22


Yemen

Quezon City (Philippines): This grant aims to assist Quezon City in assessing carbon mitigation related investment opportunities within the city's climate change action plan for 2021-2050 by using the APEX tool and evaluate the investment opportunities based on costs, payback, and potential impact on GHG emissions reduction. This is to be followed by a more detailed assessment to identify potential investments relating to sustainable, safe, low-carbon, and resilient transport mobility and green corridors including associated nature-based interventions. The expected closing date for the grant is December 2022.

Bogota (Colombia): This grant is supporting Bogota's nascent Vital Neighborhoods Project which aims to reduce overall emissions and greenhouse gases in selected neighborhoods. The grant supports this project through three broad activities, including: (i) technical inputs to ensure that the project is included in the new Land Use Master Plan and Mobility Master Plans being drafted and approved including climate considerations; (ii) technical inputs, measurements, and recommendations based on international experiences for the implementation of the Vital Neighborhoods concept in 12 areas of the city; and (iii) advice and recommendations to the pre-feasibility stage of the investment program. The expected closing date for the grant is November 2022.

Malé City, Hulhumalé, Thilafushi, Gulhi Falhu, Addu City, and Fuvahmulah City (Maldives): This grant supports the greening of the housing construction eco-system, and sustainable, resilient and climate-smart housing development through in-depth technical analysis and scenario planning for greenhouse emissions and climate vulnerability. The activity aims to have significant impacts on emissions reduction and increased resilience and adaptive capacity by strengthening national and regional/local capacities to prioritize and prepare climate smart investment programs that can be scaled up throughout the country. The expected closing date for the grant is May 2023.

Palembang, Musi Rawas and Lubuklinggau (Indonesia): This grant supports the mapping and analyzing cost-benefit of green and energy-efficient building construction, and development of action plans to integrate green construction into government housing programs. The activity hopes to influence the One Million Housing program, (a government program aiming to provide incentives for developers to build 220,000 units per annum for home ownership and to upgrade 160,000 units of substandard homes) and develop a blueprint to guide future development of green, energy-efficient, resilient, and inclusive housing strategies and action plans for cities and metro areas. The expected closing date for the grant is December 2022.

Arusha, Dodoma, Kigoma, Tabora, Geita, Ilemela, Kahama, Mwanza, Mbeya, Morogoro, Songea, Sumbawanga and Dar es Salaam (Tanzania): This activity supports cities in Tanzania to align with the goals of the Paris Agreement by providing the regulatory basis for enabling public and private investment in urban infrastructure that will lower energy use and carbon emissions and contribute to reducing heat island effects through added green spaces. These investments will explore (i) alternative sustainable construction materials that are energy efficient and contribute to low-carbon development; (ii) sustainable urban drainage concepts; (iii) erosion control and greening measures along roads and along rivers, streams, wetlands and constructed drainage; and (iv) pedestrian pathways and non-motorized lanes, integration with public transit, and energy efficient street lighting along roads. The expected closing date for the grant is March 2023.

Nairobi and Mombasa (Kenya): This grant supports the operationalization of city-level climate change strategies and plans, towards localizing national climate change frameworks (laws, policies, and plans) at the city level. The activity will (i) assess of city-wide climate smart readiness and enabling environments, (ii) provide technical support in developing and updating of GHG inventories at city level to inform risk assessments and preparation of relevant frameworks, and (iii) facilitate prioritization of bankable investments as identified in the Climate Action Plans, in accordance with city priorities. The expected closing date for the grant is July 2023.

Phnom Penh (Cambodia): This grant supports the undertaking of a comprehensive technical assessment to help prepare the city for climate change, focusing on developing towards a more efficient low-carbon path. The assessment includes the adequacy of existing policies and institutional systems to deal with existing and emerging climate risks and to identify concrete capacity gaps for tackling the causes and minimizing the possible impacts of climate change and low-carbon city development. The expected closing date for the grant is August 2023.

Erdenet and Darkhan (Mongolia): This grant supports data-based strategies to inform and prioritize potential international organizations' lending in the housing sector, and to optimize the design of the government-led affordable housing programs in the ger districts of Mongolia's largest secondary cities. The takeaways from the cost-benefit assessment and the short- medium-term action plans will strengthen existing housing programs and incentivize the use of resilient and low-carbon solutions. The expected closing date for the grant is September 2023.

Nairobi, Kenya

Buenos Aires (Argentina): This grant will support the city's efforts to advance transport decarbonization goals through the development of strategies for electric mobility, considering aspects of regulation, infrastructure deployment and local production. The activity is aligned with the Argentina's NDC which highlights the transport sector as a critical sector for the country's climate mitigation and adaptation agenda. The expected closing date for the grant is June 2023.

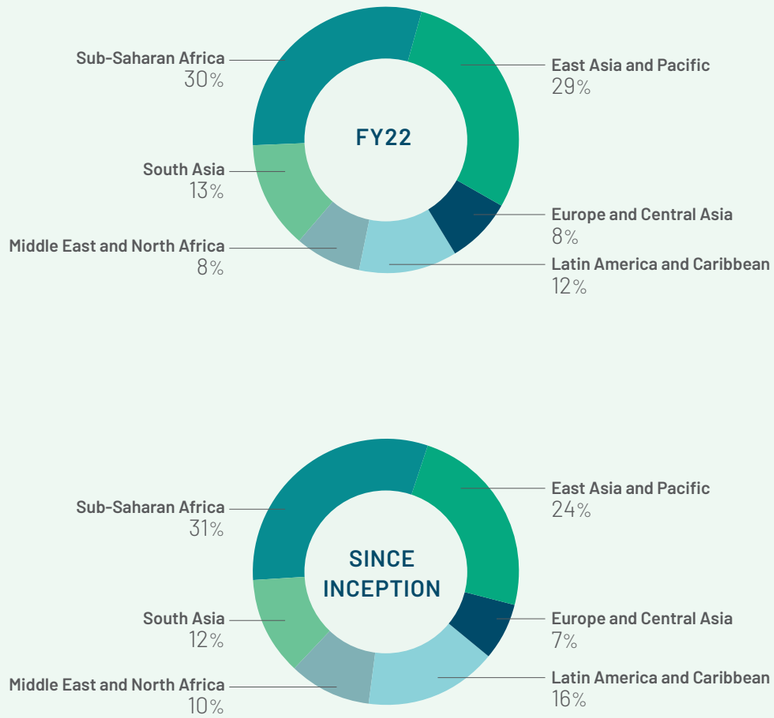
Bamako (Mali): This grant aims to identify potential nature-based solutions in areas with high levels of GHG, heat island, and desertification in the Greater Bamako area. This effort will be followed by a prioritization and design of NbS according to different scenarios in a cost-benefit and multi-criteria analysis that would help inform decision making on the cost and potential of each proposed NbS on carbon sequestration, heat reduction, and other positive environmental, social and economic co-benefits. Solutions that would be explored include public green spaces, urban agriculture, agroforestry, conservation of low-lying area and natural drainage. The expected closing date for the grant is June 2023.

Kigali (Rwanda): This grant aims to strengthen technical knowledge and capacity to facilitate the mainstreaming of nature-based solutions into future investments in the City of Kigali. The activity provides a technical guideline together with capacity building activities specifically targeting project designers and engineers with targeted technical recommendations on acceptable materials, indicative dimensions, locations, and preliminary installation guidelines. The activity will also test and apply the technical recommendations and associated costing template to a selected case study site. The learnings from this pre-feasibility exercise will be used to inform capacity building whilst also helping to advance readiness for future project implementation at the selected site. The expected closing date for the grant is November 2023.

Carbon Monitor Multicity Engagement (Egypt – Cairo, Alexandria, Luxor, Sheikh Zayed City; Turkey – Ordu, Trabzon, Adana and Manisa; South Africa – Johannesburg, Tshwane, Ekurhuleni, eThekwini): This grant aims to develop a data platform to generate high frequency, near-real-time greenhouse gas emissions data by sector. Such data will help decision-makers analyze the relationship between urban activities and emissions and evaluate the impacts of urban climate change mitigation actions. The sectoral breakdown of emissions will help identify high-emission activities that require urgent mitigation. High frequency data would also help evaluate the impact of regulations and investments on emissions in near-real-time. This activity hopes to result in better planning and targeting of mitigation activities, with local and global environmental benefits in the targeted cities and serve as a blueprint for scaling up in other cities and countries. The expected closing date for the grant is April 2023.

Figure II-3 presents the regional breakdown of track 1 grant amounts approved in FY22. Approximately one-third of the approved amounts went to SSA, where five activities were initiated in 21 cities. The EAP region also accounts for approximately one-third of the amounts approved, with activities undertaken over multiple secondary cities and the capital city of Cambodia. SAR accounts for 13 percent of the amounts approved, covering two multi-city engagements in India and Maldives. LCR has two new activities, in Buenos Aires and Bogota, covering 12 percent of the granted amounts. Finally, both MNA and ECA account for 8 percent of the activities individually, with two activities each.

FIGURE II-3: REGIONAL BREAKDOWN OF THE APPROVED GRANT AMOUNTS



FINALIZED TECHNICAL ASSISTANCE ACTIVITIES IN FY22

Green, low carbon, and climate resilience in Prishtina, Kosovo: The Gap Fund supported the Municipality of Pristina in quantifying the climate change and resilience implications of its draft Municipal Development Plan (MDP), determining whether to proceed with the policy and investment decisions contemplated in the draft MDP, and proposing alternative policy and investment options.

Pristina, Kosovo's capital and main city, is the engine of economic growth and jobs for Kosovo. However, like other cities in developing and middle-income countries, Pristina is confronted with significant challenges caused by rapid urbanization. The city is in the process of developing its Municipal Development Plan (MDP).

The Gap Fund supported the analysis of different growth scenarios for the city, based on different underlying policy and investment assumptions related to land use/ spatial issues as well as sector specific interventions in transport, energy and others. This scenario modelling work, based on the "Urban Performance Tool" helped to visualize and quantify the impact of different policy and investments choices the city is making on urban sustainability indicators, including in terms of low carbon and climate resilient development. Specifically, the analysis showed that the spatial development strategy underlying the draft MDP would not result in achieving the Municipality's ambitions in terms of reducing GHG emissions and improving resilience. It estimated that the implementation of the policies and investments proposed in the draft MDP would result in increase of the city's built-up area by 269% by 2040 and an increase of the city's GHG emissions by 58% over the same period. The analysis led to a series of recommendations at the city and neighbourhood level which, if implemented, could limit the increase of the city's built up area to 51%$ by 2040, and a allow for a reduction of emissions by 90%. This analysis has helped to provide the analytical underpinning for the key decision makers in the Municipality to reconsider the current draft MDP. In addition, the Municipality of Pristina is considering seeking financial assistance from MDBs to finance some of the investments identified through the analysis.

Climate-smart urban development and urban resilience in Addis Ababa, Ethiopia: The Gap Fund supported Addis Ababa the identification and priorization of climate smart investments, through the development of a Climate-Smart Prioritisation Framework together with an Integrated Action Plan. Addis Ababa, the capital city of Ethiopia, is a rapidly expanding city. The city's built-up area has tripled in the last 30 years. It is home to 3.7 million people but the population is set to increase to 5.1 million by 2036.

The Addis Ababa City Administration (AACA) is working to address the city's resilience challenges and achieve low carbon development. In 2020, AACA developed Addis Ababa Resilience Strategy followed in 2021 by the Addis Ababa Climate Action Plan (CAP) with C40 Cities Program. The AACA requested Gap Fund support to develop a framework to support the integration of its different strategies into its capital investment planning process.

The Gap Fund supported the development of an excel-based Climate-Smart Prioritisation Framework which provides a tool for AACA departments to screen all investment projects for climate-related risks and opportunities, and for the AACA management to assess and prioritize investment projects with a portfolio approach. The technical assistance also supported the development of a Integrated Action Plan (IAP) which identifies actionable projects that address environmental shocks and stresses and infrastructure deficits as highlighted in the Addis Ababa Resilience Strategy and the Addis Ababa Climate Action Plan. The IAP was developed using the APEX tool to evaluate priority actions defined in CAP in terms of the potential investment, indicative costings, and potential funding sources to create a more detailed scope for each of the strategic priorities. The CsPF and IAP provide the necessary tool and roadmap to the AACA for delivering climate-smart development in Addis Ababa in key sectors, including transport, the built and natural environment, water, wastewater, and solid waste. As a follow up activity, the AACA has indicated its interest in organizing capacity building workshops to train its staff in the use of the CsPF.

Addis Ababa, Ethiopia

II.2. Track 2

Track 2 aims to generate and share knowledge and strengthen partnerships related to urban climate change considerations. Activities under this track address the following key barriers and challenges: i) knowledge and methodology gaps that exist in assessing urban level GHGs and low carbon development as well as in channeling climate finance to cities; ii) vertical and horizontal coordination challenges across local and national government and the international community to achieve a whole-of-government and whole-of-economy approach, with cities recognized as a core transformative lever to achieve climate action; and iii) standardization and harmonization of approaches across cities, national strategies, the development community and the private sector. The following subsections highlight the key progress made to date.

KNOWLEDGE GENERATION AND SHARING

The World Bank Secretariat organized consultations with regional teams and experts to assess client demand and identify a list of activities and knowledge products. While ongoing restrictions of COVID-19 did not permit in-person peer-to-peer learning and knowledge sharing events, the World Bank Secretariat organized a series of virtual webinars and participated in several regional and global conferences held virtually.

KNOWLEDGE GENERATION:

The Gap Fund produced the following technical notes in FY22:

Analysis of Climate Action Plans in LAC: assesses actions identified in 30 climate action plans prepared by cities in the LAC region, and how they vary by country, city size, climate zone, and other factors.

Implications of Electric Vehicles for Urban Public Space: discusses the need for cities to make land available to accommodate public electric vehicle charging infrastructure as a means of promoting electric mobility in cities.

Low-Carbon Slum Upgrading: explores climate mitigation aspects of slum upgrading, including how slum upgrading can be a means to improve quality of life while maintaining low emissions, the use of low-carbon materials in slum upgrading, and other aspects.

Global Urban Carbon Emissions - Data Sources: summarizes different global data sets estimating urban emissions and their respective strengths and limitations.

A Methodology to Assess Reduction Pathways for Greenhouse Gas Emissions - An Urban Approach: defines a methodology to assess the impact of carbon crediting on the feasibility of climate mitigation actions, and applies this methodology to Istanbul, Dar es Salaam, Bogota, and Mumbai.

Enhancing Climate Financing in China's Cities: summarizes the progress and prospect of city climate finance in Chinese cities, identifies the barriers and gaps, and therefore proposes a list of recommendations for policymakers and practitioners to promote climate finance in cities.

KNOWLEDGE SHARING:

Technical Deep Dive on low-carbon climate-smart cities, held on March 14-18 bringing together seven World Bank client country delegations, was a collaboration between TDLC, Gap Fund, Global Platform for Sustainable Cities (GPSC) and the World Bank's Sustainable City Infrastructure and Services Global Solutions Group (SCIS GSG) and Climate-Smart Cities Community of Practice (CoP).

Master Class on low-carbon city development, held on March 21-24 and organized by the Gap Fund, SCIS GSG and Climate-Smart Cities CoP, aimed to build the foundational knowledge and skills necessary to help GPURL operational teams and their client cities to both better understand the impacts of climate change and transition to low-carbon development pathways.

Knowledge sharing webinar series on Scaling up Climate Action in Cities, scheduled from May through September (FY23), showcases the experiences and good practices of cities from different contexts and development stages to serve as an example or blueprint for other cities in addressing climate change in key urban infrastructure systems (integrated urban planning and transport, solid waste management, energy efficiency in housing and buildings, and green infrastructure and nature-based solutions).

Contribution to World Bank webinars, through the Climate-Smart Cities CoP, included: (i) an event on May 4 presenting global data sources on city-level greenhouse gas emissions; and (ii) an event on May 24 exploring the importance of public charging and the implications for the planning of cities and work ongoing on this topic in EAP and ECA.

Low carbon smart cities Webinar, held on June 1 and co organized with the Global Smart City Partnership Program (GSCP). The event showcased practical examples from the cities that have deploy smart technologies for carbon mitigation. This session featured experts who presented low-carbon, smart solutions from Korea, Jordan and the Netherlands. Presentations and recording are available here.

OUTREACH AND COMMUNICATIONS

The World Bank Secretariat supported the organization and conduct of various events to raise awareness among potential beneficiaries and enhance partnership communication and outreach in partnership with EIB Secretariat. In addition, it continued working with the Partner Communications Working Group comprising all Gap Fund partners to identify opportunities to raise awareness around the cities and climate agenda and increase the visibility of the Gap Fund among media, policy makers, national governments, donors, and local governments.

The World Bank Gap Fund Secretariat was invited to participate in the following virtual events to jointly present the Gap Fund with EIB:

- 8 July 2021: Asia Pacific Cities Race to COP26 (GCOM)
- 16 July 2021, "Policy Action Lab: The Green Climate Fund Strategy towards low emission and climate resilient Cities, Buildings and Urban Systems in Africa", organized by FMDV;

- 29 July 2021: Urban LEDS Networking Seminar by ICLEI and UN HABITAT
- 7 September 2021: Session on "Climate Financing and Budgeting" during 8th UCLG ASPAC Congress by The United Cities and Local Governments Asia Pacific (UCLG ASPAC)
- 8 September 2021: Session during African Adaptation Finance Academy by C40.
- 24 September 2021, "Inclusive Green Finance 2021 Mexico", organized by GIZ.
- 29 September 2021, "Connective Cities: Unturning the stones – Exploring Climate Finance for Asian Cities", organized by `the Connective Cities Community.
- 5 October 2021, "Daring Cities 2021: Driving finance for urgent climate action", organized by ICLEI.
- 11 October 2021, "MCR2030: Sharing of Experiences", organized by UNDRR.
- 14 October 2021, innovate 4 Cities Global Plenary: Financing the Transition and Mobilizing Urban Climate Finance.
- 27 October 2021, "Bridging the Gap - how to facilitate bankability of local Climate Action in Europe and beyond", organized by CoM Europe;
- 1-12 November 2021: 26th UN Climate Change Conference of the Parties (COP26); The Gap Fund participated in a number of events at COP26 in Glasgow. Working closely together with the Gap Fund partners, the goal was to help accelerate action towards the Paris Agreement and the UN Framework Convention on Climate Change, with a particular focus on cities, local government, and urban systems. The Gap Fund participation at COP26 helped amplify the voice of cities, highlight the importance of partnerships and collaboration, and call for more support from donors and partners.
  - 3 November 2021: Finance flowing to accelerate Climate Action: Innovation and Partnership
  - 5 November 2021: Mobilizing Urban Climate Finance through the City Climate Finance Gap Fund
  - 11 November 2021: Cities, Climate Change and MDBs: Cooperation, Action and Delivery
  - 11 November 2021: City Climate Finance Gap Fund: Helping cities early on to turn climate plans & pipelines into action

- 11 May 2022 ICLEI World Congress: Developing investment-ready projects workshop (May 11, 2022)
- 26 May 2022 Innovate4Climate 2022: City Climate Finance Gap Fund Workshop Mobilizing Climate Finance for Cities: Integrating City Level Climate Plans, Urban Development Plans, National Determined Contributions and Long Term Climate Strategies.
- 26-30 June 2022: 11th World Urban Forum (WUF11); The Gap Fund was presented in a series of different sessions organized by Gap Fund donors and partners, covering various topics, including climate change and urban resilience. The World Bank delegation also had bilateral conversations with donors on Gap Fund's progress and further collaborations.
  - 8 June 2022: Financing Green and Resilient Cities to Tackle Climate Change
  - 28 June 2022: Annual Assembly of the Cities Climate Finance Leadership Alliance (CCFLA)
  - 28 June 2022: Financing Urban Climate Adaptation
  - 29 June 2022: Sustainable Construction in Cities

PARTNERSHIPS

The Partnership Forum provides a platform for sharing experiences and expertise and exchanging information and ideas between key players in the city climate finance arena to inform the overall strategy and direction of the Gap Fund. Partnership Forum meeting was held on February 25 to provide a platform for sharing experiences and expertise and exchanging knowledge and ideas between key stakeholders in the city climate finance arena to inform the overall strategy and direction of the Gap Fund. Participants included representatives from BMWK, BMZ, LUX, WB, EIB, GIZ, GCOM, ICLEI, CPI, CCFLA and C40.

RECIPIENT-EXECUTED ACTIVITIES

A recipient-executed grant to GCOM was approved in FY22, which seeks to: (i) raise awareness of cities and city networks about the Gap Fund, its activities, the types of support available and the process for preparing an application; (ii) conduct outreach activities to promote low-carbon, climate-resilient city development; and (iii) provide capacity development support to city governments to identify and seek to overcome the challenges they face in evolving sustainable energy and climate action plans into projects that can contribute to climate change mitigation and adaptation outcomes. The World Bank Gap Fund Secretariat will supervise the execution of the activities under this program for the duration the grant.

III. Monitoring Results

Table III-1 presents the progress to date on the World Bank Gap Fund MDTF results framework. As of FY22, two Gap Fund grants have been completed. Hence the results under track 1 are representative of the two closed grants only. Under track 2, the main results are observed in improved cooperation and coordination of relevant partners, and in the generation of new knowledge.

TABLE III-1: RESULTS FRAMEWORK INCEPTION TO END OF FY22

TRACK	OBJECTIVE	INDICATOR TYPE	CORE INDICATOR	MEASUREMENT UNIT	TARGETS (5-YEAR)	END OF FY22 -
Track 1.1 **Support to City Climate Strategy Development**	Increased capacities of cities to formulate low carbon/ climate-resilient strategies, plans and policies that are in line with global efforts to limit temperature increase to 1.5 degrees Celsius above pre-industrial levels.	Outcome	A.1 New or strengthened city-formulated low-carbon/ climate-resilient strategies, plans and policies	Numbers	50	-
		Output	AA.1 City officials trained on low-carbon/climate-resilient development	Number of city officials	500	60
	Cities take action toward formulating and implementing lowcarbon, climate-resilient strategies, plans and policies in line with abovementioned global efforts.	Outcome	B.1 Low carbon/climate-resilient strategies, plans and policies that have been adopted by cities	Numbers	30	-
		Output	BB.1 Cities that have benefitted from the World Bank Gap Fund-supported technical assistance for implementing and formulating low carbon/climate-resilient strategies, plans and policies	Number of cities	50	-
Track 1.2 and 1.3 **Support for Low-Carbon, Climate-Resilient Development Capacity and Investments**	High impact low carbon/ climate-resilient urban projects in line with above mentioned goals are taken up for further preparation support and financing	Outcome	C.1 The Gap Fund-supported projects have been taken up for further preparation support or financing	Number of projects	30	-
		Output	CC.1 The Gap Fund-supported projects that will contribute to GHG reduction and/or adaptation when implemented have been supported by the World Bank Gap Fund	Number of projects	50	-
	Increased capacities of cities to prepare high impact lowcarbon/climate-resilient urban projects	Outcome	D.1 Cities that have benefitted from WB Gap Fund supported technical assistance for preparing high-impact low-carbon and/or climate-resilient urban projects	Number of cities	50	-
		Output	DD.1 City officials that have benefitted from capacity building activities on high impact low-carbon/climate-resilience project preparation	Number of city officials	500	60
Track 2 **Partnerships, Knowledge Sharing and Standardization**	Improved access for partner organizations and cities to urban climate knowledge	Outcome	E.1 Cities participating in knowledge exchange events supported by WB Gap Fund	Number of cities	60	-
		Outcome	E.2 Total views or downloads of urban climate knowledge material shared by WB Gap Fund (knowledge products downloads, video/blogs/feature stories views, newsletter opens, website views, social media likes, retweets, and more)	Numbers	4000	27000
		Output	EE.1 Technical knowledge products produced to fill identified knowledge gaps on low carbon, resilient urban development	Numbers	10	10
		Output	EE.2 Existing tools/approaches curated	Numbers	2	0
		Output	EEE.1 Knowledge-sharing events organized	Numbers	20	5
	Improved cooperation and coordination of relevant partners, for example, cities, local authorities, private sector and NDBs/MDBs in the field of project preparation support	Outcome	F.1 City applications completed and submitted through the portal and jointly screened by the EIB and the World Bank Secretariats	Numbers	750	243
		Output	FF.1 Partnership forums organized	Numbers	5	3
		Output	FF.2 The Gap Fund outreach activities organized	Numbers	10	25

IV. Financial Update

This section provides a brief overview of the financial contributions to the Gap Fund in FY22, the disbursements of the Gap Fund to its individual tracks and the financial status as of June 30, 2022. Under Track 1, it supported 51 cities across 17 countries, mobilizing 4.5 million EUR. Table IV-1 details the disbursements under every track during FY22. Table IV-2 details the financial status of the World Bank Gap Fund MDTF as of June 30, 2022.

TABLE IV-1: GAP FUND DISBURSEMENTS- INCEPTION TO JUNE 2022

TRACK ACTIVITIES	OVERALL BUDGET (MILLION EUR)	AMOUNTS APPROVED (MILLION EUR)	AMOUNTS DISBURSED (MILLION EUR)
Track 1	25.00	6.28	0.95
Track 2	5.00	3.19	0.73
Track 3	1.60	1.50	0.60
TOTAL	32.00	10.97	2.28

TABLE IV-2: GAP FUND FINANCIAL STATUS – INCEPTION TO JUNE 2022 (MILLION EUR)

	CUMULATIVE TOTAL
Contributions Pledged	32.00
Un-paid Contributions	6.00
CONTRIBUTIONS RECEIVED	26.00
Investment Income	(0.15)
TOTAL RECEIPTS	(0.15)
Less: Amounts Approved	10.97
AMOUNTS AVAILABLE	14.88

V. Next Steps

FY22 was the first full fiscal year of operations for Gap Fund in which some of the first technical assistance activities were concluded. Going forward, the Gap Fund will scale up its efforts to expand its portfolio but also communicate and share the lessons learned from the activities that are finalized. The track 1 activities grew by 135 percent, increasing the impact and reach of the Gap Fund. COP26 provided an important platform to position the Gap Fund as a critical tool to support the climate aspirations of cities across the world. In FY23, the Gap Fund will continue to accelerate the implementation of city-level technical assistance under track 1, build on the experience of the first technical assistance activities to promote knowledge sharing, and leverage Gap Fund's partners to continue raising awareness about the Gap Fund and facilitate cities' access to the most relevant approaches, tools and platforms for low carbon and resilient urban development.

City-level technical assistance: In FY23, the World Bank Gap Fund MDTF targets a scale-up of its technical support to low-carbon, climate-resilient city development through track 1 activities by adding 16-24 cities to its portfolio. The Secretariat will also focus on providing technical support, monitoring progress, and tracking results achieved through the activities that have been initiated in 62 cities since its inception. The Secretariat will strive to take stock of lessons learned through these activities and their implementation progress by continuing its monitoring and evaluation processes and promote the sharing of knowledge and experience between cities.

Alexandria, Egypt

Knowledge generation: The Secretariat will finalize and disseminate analytical work completed in FY22, while initiating the development of new technical notes based on the specific needs and demand emerging from city-level technical assistance provided under track 1. The Gap Fund Secretariat will also initiate the development of a flagship report which will be finalized (reporting and dissemination) over the course of FY23 and FY24.

Knowledge sharing, outreach and communications: The Secretariat will work with EIB and key partners of the Gap Fund to assess the opportunities to organize in-person and virtual peer-to-peer learning and knowledge exchange activities at city, regional or global level on low carbon, resilient urbanization. As some of the Gap Fund supported technical assistance activities are coming to an end, the Gap Fund will also concentrate its efforts on sharing the lessons learned from these activities. In preparation for the second-year anniversary of the Gap Fund in September 2022, 2-3 project stories will be published on the website to showcase cities' achievements supported by the Gap Fund.

Partnerships: The Gap Fund will continue to uphold the strong collaboration between donors, the World Bank, EIB or GIZ, and city networks to identify and pursue opportunities to raise awareness about the Gap Fund. The Communication and Outreach Working Group, which has been operational since FY21, will continue its efforts to increase the awareness of the impact of the Gap Fund through a coordinated strategy. During FY23, the Working Group will also strategize how to promote the Gap Fund in COP27 in November 2022. The World Bank Gap Fund MDTF will also oversee the launch and implementation of the recipient executed grant to GCOM.

The Gap Fund will continue organizing regular meetings of the Partnership forum. The Gap Fund Secretariats will follow their practice of joint presentations of the Gap Fund in global and regional events organized by the Gap Fund partners. The Secretariats will also leverage the Gap Fund's partnership network to ensure supported cities have access to the most relevant approaches, tools and platforms for climate analytics, action planning, and financial structuring.

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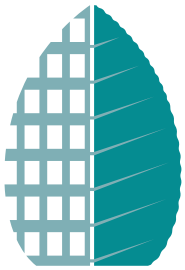

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