

## SUCCESS STORIES

### ACCESSING CLIMATE FINANCING IS HELPING CITIES IN UGANDA, MYANMAR, AND CAMBODIA TO CUT GREENHOUSE GAS EMISSIONS AND BUILD RESILIENCE



#### ► Cities in three of the world's least-developed countries are accessing essential climate finance as they look to build resilience to climate change and cut greenhouse gas emissions (GHGs).

Municipalities in Myanmar, Uganda, and Cambodia are benefiting from funds from the Green Climate Fund (GCF) to build capacities at the subnational and national level, including strengthening policies and designing projects in areas such as waste management and sustainable transport.

The funding secured in 2019, which totals more than USD 2 million between the three countries, will be vital in helping major urban areas to reduce emissions and become greener, healthier and more socially inclusive places to live.

These funds have been secured with help from GGGI, which is also partnering in the delivery of GCF projects in each country.

#### Uganda

In Uganda, Dagmar Zwebé, GGGI's Country Representative in Uganda, explains how the group is working with Kampala city authorities to attract financing from GCF with a view to implementing the Kampala Climate Change Action Strategy.

*"This strategy aims to mainstream climate change response in all city services to put the city on a low carbon development path. (...) In its initial phase, the GCF readiness funds are being used toward developing concept notes, such as one for the Disposal and Treatment Component of Kampala's integrated solid Waste Management project within the framework of updating the GCF Country Programme and building of a pipeline of bankable projects," Zwebé says.*

#### Myanmar

GGGI is doing similar work in Myanmar, developing projects in four secondary cities across the country and working directly with local and national governments, private sector actors, development partners, and community groups.

Aaron Russell, GGGI's Country Representative in Myanmar, explains: *"GCF Readiness funds are being used to assess sectoral capacities, to build political commitment, and to mobilize the necessary expertise in green urban infrastructure development*

*to build a pipeline of tangible climate finance projects that have the potential to transform urbanization across Myanmar's regional capitals and growing commercial secondary cities. (...) Readiness funding will identify projects to be financed in line with the national priorities outlined in the Myanmar Sustainable Development Plan. This work will mainstream public and private sector stakeholder awareness-raising activities through training of government officials, and the nomination of a Direct Access Entity. These measures will ensure that the institutional infrastructure is in place for long-term green investment in cities."*

## Cambodia

In Cambodia, GGGI is helping authorities to make the transportation sector greener by identifying policy and financial incentives to shift from gasoline motorcycles, which currently dominate Cambodia's national vehicle market, to electric motorcycles.

The country has seen rapid economic growth and urbanization in recent years. Cambodia's urban population is growing at a rate of 4.4% per year, according to the World Bank. By 2030, government estimates 44% of the Cambodian population will live in cities. Accordingly, the number of vehicles and GHG emissions from the transport sector has been rising rapidly.

In 2000, the transport sector accounted for less than 3% of national GHG emissions. By 2016 emissions from the sector had increased more than six-fold.

Transitioning away from fossil fuel-powered to electric vehicles is expected to contribute to reducing GHG emissions in congested urban areas, together with significant co-benefits such as improvement in air quality, reduction of noise, and positive impacts on public health.

It should also assist the local economy, creating new jobs and cutting costs for owners. The total cost of ownership of electric motorcycles, including lifetime operating costs, is often lower than that of gasoline motorcycles.

## Challenges facing Least Developing Countries

GGGI is involved in all the projects and, its country representatives say, they all offer good examples of how impactful the work of the organization, and others like it, can be in helping cities become greener.

Donovan Storey, Deputy Director and Urban Lead – Green Cities, in GGGI's Investment and Policy Solutions Division, explains that cities in less developed parts of the world can face a number of challenges in trying to access funding and implement policies and projects to make their municipalities greener.

*"One of the challenges is that you have to make the case for policymakers to support a more rapid transition toward greener and more sustainable cities. This is often the hardest part of our work, but also the most rewarding. As an organization, we have to convince policymakers of the financial case – and the benefits of shifting toward greener pathways,"* he says.

However, once policymakers have been convinced, there are other hurdles to overcome, including addressing problems with legal environments and policy gaps, which could stop any development in its tracks.

*"No country or city has ever developed solely through implementing projects. There needs to be a regulatory framework to support broader change,"* says Storey.

He explained that sometimes a project gets underway, only to be hastily scrapped because of missing or contrary legislation.

*"The stage of helping policymakers to improve the regulatory environment or filling a policy gap is absolutely critical,"* emphasizes Storey.

Another challenge is attracting financing. The relatively small size of some secondary cities – only around 50,000 inhabitants in some cases – can put some finance out of reach.

*"Some cities simply cannot get funding because they are not seen as bankable - they are not large enough for investors. An additional challenge is that cities need to get their finances 'in order' to be bankable, which is difficult. Smaller cities often miss having a financial framework in place, e.g. they don't have great financial records, and rarely have their own source of revenue to do any co-financing. This makes it difficult to get investment,"* says Storey.

This is where the work of GGGI is key.

*"The project in Cambodia is a good example of how we always look to the co-benefits of any project. By doing things a bit differently you can gain multiple benefits – for example making motorbikes, a vehicle that is popular among lower income groups, both cleaner and cheaper, has a positive social impact - but also it has an effect on air quality, and more efficient use of energy."*

While the three projects are at relatively similar stages, each is unique, and GGGI customizes its approach to its work in different countries and cities in helping facilitate financing from the likes of GCF and others.

*"In the three countries, there are different political and economic contexts, and they work at different speeds. We need to align ourselves to these differences,"* Storey says

*"We are lucky to have teams in countries day-in, day-out who have the understanding and experience of the local political and economic environment and how to work accordingly. As such, they are able to support change longer-term, and have a vested interest in seeing successful outcomes,"* Storey says.