

FINANCING FOR SUSTAINABLE INFRASTRUCTURE

A guide for US local governments



CDP North America
2023

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ABOUT CDP

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states, regions and public authorities. Founded in 2000 and working with more than 745 financial institutions with over US\$137 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, reduce greenhouse gas emissions, safeguard water resources and protect forests. Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalization, and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative. Visit cdp.net or follow us @CDP to find out more.

Overview & Key Takeaways

In a historic moment of unprecedented federal and national funding for local governments under the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA), CDP created this guide as a preparedness tool for US city and other public officials as they develop climate and sustainable infrastructure projects.

The guide draws on CDP's unique capacities in working with the capital markets, financiers and companies across the United States. The contents of this resource are designed to be applicable across a broad subset of communities in the United States with differences in population size, demographics, climate conditions and political environments.

CDP has produced this guide as a resource for local governments with a particular interest in advancing the implementation of sustainable and equitable infrastructure projects. **Part one provides a high-level overview of the project preparation process and a discussion of financial instruments and options available for development.**

Part two of this guide provides information on technical assistance funds and resources designed to help cities with project preparation, capacity building and embedding equity throughout the process; elevating the need to center social, economic and racial equity in the infrastructure development process. Other resources include links to case studies and partner organizations.

As a result of using this guide, city officials will better understand the existing finance ecosystem for climate and sustainable infrastructure projects and use this knowledge to make informed decisions.

The Project Preparation Process

- ▼ Enabling Environment
- ▼ Climate Strategy Development
- ▼ Embedding Equity

Financial Instrument & Options

- ▼ Climate Finance Environment
- ▼ CDP Financing Pathways

Technical Assistance

- ▼ Self-directed Technical Assistance
- ▼ Financial Institutions
- ▼ Prospective Partners

CDP's work with local governments

Across the globe, local governments are developing strategies and planning projects to help mitigate the impacts of climate change on their communities and the environment. According to the UN, cities consume more than 78% of global energy and produce more than 60% of global greenhouse gas emissions. Hence their leadership in rapidly decarbonizing is essential to meeting the Paris Agreement and keeping the world under 1.5 degrees Celsius of warming compared with pre-industrial levels. A combination of energy efficiency, clean energy, water management, green transportation, resilience projects and other forms of sustainable infrastructure will be necessary and forward-thinking cities are rising to the challenge.

For many municipal governments, however, plans for developing sustainable infrastructure projects hit a roadblock when they grapple with how to fund their climate investments. While this can be a particularly insurmountable issue for cities in developing countries, developed countries consisting of diverse communities, large and small, also contend with financing concerns that can stall projects—including the associated challenges of capacity and project preparation that are precursors to securing financing.

CDP identified 108 cities seeking funding for 319 sustainable infrastructure projects in the 2021 disclosure to CDP-ICLEI Track—188 of these projects totaled a combined value of US\$29.6 billion. The full scope of infrastructure finance shortfalls in the US is far more significant. The American Society of Civil Engineers estimates that current infrastructure spending levels will need to increase by more than US\$2.59 trillion over the next ten years. Much of this investment would support clean transportation, electricity infrastructure, waste management services, climate resilience and related measures.

To respond to the challenge of implementing climate-resilient infrastructure at scale, CDP Matchmaker provides insights and catalyzes action for sustainable and resilient infrastructure projects across the globe. In partnership with ICLEI, CDP engages with hundreds of local governments on environmental disclosure, helping cities to measure and manage greenhouse gas (GHG) emissions, identify climate risks and set emissions reduction targets, along with actions to protect their most vulnerable populations. Project data collected through voluntary disclosure is key to accelerating local governments' access to suitable financing opportunities and project support.



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PART 1

Foundations for Success

For a city to attract financing for a sustainable infrastructure project, it first needs to lay the groundwork for increasing the likelihood that investors will consider a proposed project a financially sound—or bankable—investment. These precursor stages to project financing are discussed below, with corresponding resources linked in the [technical assistance section](#).

Creating enabling environments for sustainable infrastructure development

Developing an aligned municipal, legal, regulatory and operational environment is the foundation for favorable climate action planning, project preparation and financing conditions. This [enabling environment](#) for climate project development involves examining and understanding the key stakeholders, including the private sector, financiers and intermediary bodies and how they work individually and collaboratively with city administrations.

▼ **PRIVATE SECTOR:** By design, the private sector harbors the resources and expertise to develop and deploy innovative business models and services that can support the public sector's climate ambition. In addition to direct investment in climate infrastructure projects, the private sector can also support policy and regulatory frameworks that encourage the development and deployment of sustainable infrastructure.

▼ **FINANCIERS:** Financiers are specialized individuals or institutions capable of providing funding or financing solutions to support various forms of infrastructure and economic development. They focus on risk evaluation and provide sound financial recommendations on a project's viability.

▼ **INTERMEDIARY BODIES:** An intermediary body, such as rural development hubs, help bridge information gaps, reduce risk and promote stakeholder collaboration and cooperation. Additionally, intermediary bodies often contribute to developing standards, regulations and best practices that promote transparency and accountability.

Current US Federal Funding Opportunities

The Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act, is a US\$1.2 trillion investment being delivered through more than 60 federal agencies. It contains measures to improve efficiency and sustainability of transportation, the built environment, water services and more—while advancing environmental justice for communities. Approximately half of the funding will be [allocated to state and local governments](#).

The Inflation Reduction Act of 2022 is a new landmark legislation that will invest approximately US\$400 billion in climate and energy efficiency measures. It contains incentives for utility-scale, commercial and residential energy innovation and emissions reduction over the next decade. Cities will host many of the resulting projects and are likely to be direct beneficiaries of some of the funding and to play a key role in helping residents and businesses access other funding.

These time-limited funding opportunities underscore the importance of preparing projects to leverage unanticipated funding, where funders often seek “shovel-ready” projects that can be developed in the near term.

Justice40

The Biden-Harris Administration created the Justice40 Initiative to confront and address decades of underinvestment in disadvantaged communities. The initiative will bring resources to communities most impacted by climate change, pollution and environmental hazards.

More information can be found [here](#).

While national and regional agencies are responsible for setting some factors of an enabling environment, cities generally have authority to collaborate with these stakeholders to improve the means by which to develop resilient and sustainable infrastructure projects.

The complexity of aligning the interests of community stakeholders, including the private sector, financial institutions, residents and the environment, makes creating an enabling environment for climate infrastructure development particularly challenging for local governments. To develop the foundation of a strong enabling environment, best practice first involves the following:

▼ **REVIEW OF ANY CLIMATE CHANGE OR SUSTAINABILITY**

STRATEGIES your city already has in place, focusing on current achievements, plans and goals. The key is to concretely and systematically identify the infrastructure, financial or capacity challenges your city faces in tackling climate change. This step is essential for the potential financiers in your community who require this data to inform decision-making and creates a transparent environment in which to operate.

- ▼ **ANALYZING FINANCIAL AND CAPACITY CHALLENGES** will help leaders think through possible solutions and scenarios and identify ways that collaboration between cities and the private sector can help solve any challenges. Once city administrators identify these factors, proactive engagement and collaboration with intermediaries and private sector actors for mutually beneficial opportunities can advance. Working collaboratively with the private sector and intermediaries strengthens the business case of sustainable infrastructure projects for financial institutions by creating opportunities that are bankable and investment ready.

- ▼ **IDENTIFY ANY REGULATORY AND LEGAL CONSIDERATIONS** that impact the development of an enabling environment for sustainable infrastructure. For example, zoning laws and land use regulations are valuable tools which can be used to both encourage or end up stymying projects aligned with climate infrastructure goals. Identifying relevant permitting and approval processes that can support bringing investment-ready sustainable infrastructure projects to market are critical to avoid missing private sector engagement opportunities and potential cost overruns for project implementation. Financial policies may also have an impact on creating an enabling environment. For example, some cities may have a cap on debt issuance that prevents the sale of additional bonds. A careful review of the regulatory barriers that may negatively impact infrastructure development can help your local government improve regulations and reduce this obstacle.

Aligning each of these municipal, legal, regulatory and operational stakeholders is essential for developing sustainable infrastructure projects. Review the [City Business Climate Alliance](#) to explore the steps involved in engaging stakeholders and creating a strong enabling environment in more detail.

OVERCOMING THE OBSTACLES

Building the right relationships

Identifying and engaging the right stakeholders can be challenging for cities of all sizes. When sorting out which relationships to pursue for a partnership, asking the following questions will help navigate your city's business environment.

- ▼ Do my city's climate goals meet the needs of the population? Or the private sector? Or both?
- ▼ Who are the largest employers in my city?
- ▼ Which companies in my city have already made commitments to sustainability? For example, are there companies that have already committed to the Science Based Targets initiative (SBTi), received an A score from CDP, signed up to become 100% renewable (RE100) or committed to transitioning to electric vehicles (EV100) and would also be good partners?
- ▼ Are there key industries in my city with deep community or financial connections that could be better utilized by the city government through a partnership?

Climate strategy development

Ensuring your local government follows best practices for developing a city climate plan before project preparation is essential. This includes aligning your goals with a [science-based target](#), integrating risk and vulnerability assessments into an adaptation plan and bringing vulnerable and historically marginalized communities into the planning process.

Equity considerations are vital components to embed within climate strategies to remedy previous environmental injustices. Best practice for the development and planning process requires city officials to take equity considerations into account from the outset.

Developing a climate strategy with a city's priorities for meeting specific climate mitigation and resilience goals should align with a science-based target to achieve the goals of the [US Paris Agreement](#) target and the [UN Sustainable Development Goals](#).

Aligning with these global initiatives offers a wide range of benefits for local governments. A carefully crafted strategy becomes a roadmap for reducing greenhouse gas emissions, prompting sustainable infrastructure development and ensuring the long-term resiliency of the city's community members and key stakeholders.

As noted in the [Funding instruments and options](#) section of this guide, creating a climate strategy can also help your city attract funding opportunities from local, national and international partners who also make climate resiliency a focus of development.

A robust climate strategy includes budgeting, [funding and financing options](#), benchmarking and a city's rationale for investing in prioritized projects. It also involves tracking and disclosing publicly to [CDP-ICLEI Track](#), which can help the municipality align its climate plan to internationally recognized standards and provide a standardized framework for monitoring and measuring environmental impact.

OVERCOMING THE OBSTACLES

Evaluating social, environmental and economic risk

Many local governments face a common barrier in efficiently evaluating social, environmental and economic risks because of the vast amounts of data they must aggregate and analyze, the different sources of information involved and the wide range of stakeholders they must consider. However, this level of information is essential in producing a comprehensive climate strategy.

Committing to environmental disclosure through [CDP-ICLEI Track](#) can help overcome this barrier. Disclosure enables cities worldwide to evaluate localized risks and opportunities through a questionnaire, helping identify vulnerabilities and prioritize actions. Additionally, CDP can provide support and guidance to help local governments identify and achieve climate goals, including [science-based targets \(SBTs\)](#) and alignment with the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#), track progress over time and benchmark their efforts against others.

Using CDP-ICLEI Track, local governments can effectively evaluate social and environmental risks and take relevant action to build a more sustainable future for their communities.

Project Preparation

Project preparation is the process of defining, studying, refining and developing an infrastructure project concept to the point that it can raise implementation financing from public or private sources, according to the [Cities Climate Finance Leadership Alliance \(CCFLA\)](#).

Attention to project preparation—or lack thereof—can mean the difference between an infrastructure project moving forward or stalling in the planning stage. Having a queue of already prepared projects also enables city governments to nimbly respond to unexpected opportunities, such as new state or federal funding or philanthropic grants. As previously mentioned, funders with limited timeframes may prioritize deployable projects that are ready to proceed. New programs related to the IRA, BIL and Infrastructure Investment and Jobs Act (IIJA) are still frequently being announced with implementation of these programs taking place in the immediate future.

Because project preparation itself requires technical and financial resources—up to 10% of construction costs, according to the [World Bank](#)—budgeting for project preparation must also be a consideration for cities early in the planning stages. A robust climate strategy and a conducive enabling environment can help streamline project preparation.

Within the project preparation process, there are several distinct phases, as outlined by CDP in the [reporting guidance](#) and defined below:



Many cities are understandably daunted by the project preparation process. However, [Project Preparation Facilities \(PPFs\)](#) – organizations that support cities in developing investment-ready projects – can simplify the process by providing precise support. The Resources section of this guide includes information on PPFs available to US cities.

After preparation, feasible projects are ready for the financing stage described in the next section.

OVERCOMING THE OBSTACLES

Foundation for successful project development

Key to the successful preparation of a sustainable and resilient infrastructure project is ensuring the right stakeholders are considered and represented during the early stages of the project preparation process. Adopting an integrated approach to project preparation is the first step in overcoming these barriers and setting a project team up for success. In addition to this, local governments must seek out resources and expertise that can provide technical assistance during the project preparation process. Common barriers include limited financial resources, lack of technical expertise, complex legal requirements and low levels of community engagement. Federal government agencies, non-profits, consultancies, businesses and project preparation facilities have all created resources designed to assist project stakeholders in overcoming these challenges at the early stage. This report provides examples of organizations and resources in the Technical Assistance section.

Project finance: Instruments and options

Viable projects will have already identified a financing strategy during the climate strategy planning process. This Project Finance section includes links to the Financing Pathways tool created by CDP in partnership with HIP Investor. Each guidance document, broken down by infrastructure sector, outlines current instruments municipal governments can explore to provide financial support for project development and implementation.

Traditional financial institutions such as banks, asset management funds and venture capitalists, among others, limit their analysis of a project's bankability to its economic viability. In other words, these investors seek to generate financial gains on their investment at market rate returns within conventional time frames. Examples may include investment vehicles such as municipal bonds, leasing assets, aggregation models or concession agreements.

On the other hand, policymakers, philanthropic organizations and long-term, "patient capital" investors often view projects through evaluation criteria that includes two aspects: 1) financial (capital, operating) and 2) non-financial (environmental, social) costs and benefits.

However, growing evidence indicates that traditional private finance prioritizing environmental, social and governance (ESG) factors tends to perform better financially in the long term. Financial institutions are evolving to meet the shifting priorities of investors who may prioritize social and environmental factors in their portfolios. Sustainable infrastructure projects often have the potential to create a strong business case for investors, offering both positive social and environmental benefits alongside strong financial returns.

As investors' appetite for sustainable investment opportunities grows, nontraditional financing options such as blended public and private finance and results-based financing are becoming more readily available through major financial institutions. Understanding the landscape of potential options will help city governments determine which funding, financing and revenue generation combinations make the most sense for them to pursue different projects.

Defining Key Terms

In their 2019 report, Funding and Financing Climate Action Plans, the Urban Sustainability Directors Network (USDN) and HIP Investor provide useful definitions of three key terms:

Funding

Capital from third parties that does not need to be repaid.

Financing

Capital borrowed from third parties that needs to be repaid in full, generally with interest.

Revenue generation

Income generated by the local government to help defray costs of a new program, such as charges, taxes and fees—either on users of the program or on all residents/businesses in the service area. May also include the cost savings achieved by the project.

OVERCOMING THE OBSTACLES

Selecting the right financing mechanism

Key to securing successful funding or financing for a sustainable infrastructure project is ensuring the use of the market's most appropriate and cost-effective solutions. There are several common barriers that local governments must overcome before moving into the project implementation stage. Developing infrastructure typically comes at high upfront costs, which can be difficult for local governments to finance, particularly in areas with limited tax bases or constrained budgets. Additionally, many local governments must be equipped to address and overcome regulatory and administrative hurdles to secure funding, which can delay or deter the implementation. While it can be challenging to overcome these barriers, it is essential for city officials to gain a broader understanding of existing innovative financing mechanisms, how cities can use them and for what kinds of projects.



Credit: Think A / Shutterstock

CDP Financing Menus

CDP, in partnership with [HIP Investor](#), created this set of financing menu options for financing and funding projects, relevant resources and links to case studies. The financial instruments library provides state-of-the-art financial instruments available for urban climate projects. These guides can help your city identify funding and financing mechanisms by providing clear options and pathways.



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PART 2

Resources and Assistance Programs for Local Governments

The first part of this guide outlines how local governments can create an enabling environment, the importance of developing a climate strategy, an overview of the project preparation process and a high-level overview of financial instruments and options commonly used to develop sustainable infrastructure projects. Once your local government has considered and addressed the contributing factors required to build a strong foundation for resilient infrastructure development, your team will be ready to strategize project development and implementation.

Part two of this report provides a list of resources delineating the types of assistance local governments may call on at various stages of project development. Many additional resources available to local governments are not referenced in this guide. The resources included below are designed to inform your team of the types of resources available and how they can be used. Your team should conduct additional research to discover resources most closely aligned with your specific needs. Resources include the following:

▼ EMBEDDING EQUITY INTO SUSTAINABLE DEVELOPMENT PROJECTS AND INITIATIVES

▼ CITIES FEDERAL FUNDING OPPORTUNITIES

▼ MULTIPLE STAGES OF THE CLIMATE FINANCE PROCESS

▼ ENABLING ENVIRONMENT AND CLIMATE STRATEGY

▼ PROJECT PREPARATION

▼ CREATING FINANCING STRATEGIES

Self-Directed Technical Assistance Resources for Municipal Climate Finance

Technical assistance can take several forms, including self-directed (online tools, on-demand webinars and other resources) and intensive (with direct assistance from service providers in the form of consultations, assistance developing applications, funding to support project preparation and other types of support).¹ Climate action is a process and the self-directed resources included in this guide are designed to empower city officials to take meaningful steps towards climate action immediately.

RESOURCES FOR

Embedding Equity into Sustainable Development Projects and Initiatives

Making Climate Infrastructure Equitable:

A Toolkit and Workbook →

Intended to spark ideas for North American policymakers and stakeholders, this resource from CDP introduces concepts of equitable development and the value of centering community needs and concerns to generate solutions.

Justice40 Implementation Guide →

This guidance provides implementation direction to covered programs under the Justice40 Initiative.

Six Innovative Ways to Fund Climate Action and Equity in US Cities →

As cities increasingly recognize that climate action can deliver multiple benefits, they are finding innovative funding methods to simultaneously address inequity and the effects of climate change.

Energy Equity →

This ACEEE online resource provides an overview of actions needed to achieve an equitable energy system that applies to all government levels, with corresponding reports and infographics.

Justice40 Mapping Tool →

Census tracts that are overburdened and underserved are highlighted as disadvantaged on the map. Federally Recognized Tribes, including Alaska Native Villages, are also considered disadvantaged communities.

Toolkit for Equitable Impacts →

This resource from C40 Cities Climate Action Planning Resource Center provides city officials with a global approach for evaluating the non-GHG emissions impacts of climate action.

¹ The following information is current only as of the date of publication. Although numerous intensive technical assistance resources are available, this section focuses on free or low-cost technical assistance resources, so only self-directed resources are listed for some sections. While federal and regionally specific resources are linked, this should not be treated as an exhaustive list. Cities in regions not included may be able to find additional relevant self-directed and intensive resources to assist them in their project finance process.

RESOURCES FOR

Cities Federal Funding Opportunities

Federal and National Technical Assistance Resources Related to the BIL, IRA and Infrastructure Investment and Jobs Act (IIJA)

Federal Climate Funding Hub ➞

This resource page serves as a hub with the latest guidance, upcoming deadlines and new resources to help inform states, cities, towns, businesses, NGOs and individuals how to access funding from the new legislation.

Local Infrastructure Hub ➞

This national program helps cities and towns find resources and expert advice to access federal infrastructure funding, including a calendar of relevant events and a database of grant funding opportunities.

C40 Guide for Local Government Leaders ➞

This guidebook is intended to help mayors and their staff understand the climate provisions included in the IRA, the opportunities for local government and the multiple roles that mayors can play in maximizing the benefits of the law while actively minimizing the real and potential harms posed to frontline communities exposed to fossil fuel infrastructure and development.

The White House's Building a Clean Energy Economy Guidebook ➞

This guidebook provides an overview of clean energy, climate mitigation and resilience, agriculture and conservation-related tax incentives and investment programs in President Biden's Inflation Reduction Act, including who is eligible to apply for funding and for what activities.

The White House's Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal and Territorial Governments and Other Partners ➞

This May 2022 guidebook provides a roadmap to federal funding available through the BIL by issue area, including transportation, climate, clean energy and environment. The website includes a database searchable by program type.

Environmental Finance Centers ➞

These EPA-designated institutions provide technical, managerial, financial and administrative support to local governments, states, tribes and non-governmental organizations to protect public health, safeguard the environment and mitigate environmental justice concerns

Clean Cities Coalition Network ➞

Cities nationwide have formed coalitions within their states to participate in the US Department of Energy's Clean Cities Coalition. They work locally to advance affordable, domestic transportation fuels, energy-efficient mobility systems and other fuel-saving technologies and practices.

Inflation Reduction Act Tracker ➞

The IRA Tracker is a collaborative effort between Columbia Law School's Sabin Center for Climate Change Law and Environmental Defense Fund. The Database compiles information about the climate change-related provisions of the 2022 IRA. Individual decisions or actions taken by federal agencies to implement the outlined provisions are recorded in the IRA Tracker.

Climate Cabinet Education Guidebook ➞

The guidebook was created to outline the opportunities for public power utility directors, staff and city leaders about federal funding opportunities. Within the report, there are pointers to specific programs designed to drive forward clean energy deployment, electrification and local economic development. Additionally, the guidebook will assist local governments in understanding where to find more information about these programs.

Funding for Tribes in the Inflation Reduction Act ➞

This guidebook provides an overview of the clean energy, climate mitigation and resilience, agriculture and conservation-related funding programs in the Inflation Reduction Act for which Tribes are eligible.

RESOURCES FOR

Regional Networks and Technical Assistance

Regionally specific technical assistance can play a critical role in supporting the development of sustainable infrastructure projects. Regional coalitions often can provide more refined expertise, resources and funding opportunities. Networks can be developed around common risks such as extreme weather events, or common systemic challenges such as racial inequity. These networks can pool resources, knowledge and expertise to address challenges more efficiently. When exploring funding and financing, it is important to scan your local and regional networks for additional support.²

Mississippi River Cities and Towns Initiative

(MRCTI) Infrastructure Facility →

MRCTI has launched the Infrastructure Facility in partnership with Qualified Ventures to help its members access approximately US\$75 million in Infrastructure Investment and Jobs Act (IIJA) funding targeted to the Mississippi River corridor over the 5-year period of the IIJA. Consulting assistance is free to MRCTI members and includes strategizing how to access IIJA funds, guidance on preparing grant applications and other related services.

Resilient Infrastructure Sustainable Communities →

Resilient Infrastructure & Sustainable Communities (RISC) is a cluster of public and private sector professionals focused on climate resiliency via delivery and finance of market-based green stormwater infrastructure across the Great Lakes region. Comprised of municipal, state and federal climate resilience leaders, the cluster leverages its common network and shared experience to offer a framework that leads to projects that improve water quality, climate resiliency and positive socio-economic impacts.

RESOURCES FOR

Multiple Stages of the Climate Finance Process

Global Covenant of Mayors' Resource Library →

This portal has an extensive, searchable array of tools, case studies, resources and publications cities can reference for all stages of their climate policy, strategy, project preparation, financing and implementation process. Some free resources shared within this portal are highlighted in the stage-specific categories below; other resources have fees/subscriptions.

C40 Cities Knowledge Hub →

Cutting-edge insights and practical resources from leading climate cities. This resource provides direct access to information and resources as developed and utilized by C40 cities from around the world. C40 Cities is a network of Mayors of nearly 100 cities around the world leading on climate change and resilience.

Climate Program Portal →

The Climate Program Portal is a resource for organizations and public agencies tracking federal investments in climate initiatives. The Portal tracks investments from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). The portal has been developed by Atlas Public Policy.

BlueGreen Alliance Guidebook →

The purpose of this user guide is to act as an easy reference for many policies and programs included in the IRA.

Daring Cities →

This collaboration between ICLEI and the Federal City of Bonn, Germany, is a leadership forum for officials from cities around the world. Officials can register for a free account to learn about upcoming virtual events and access on-demand webinars on topics including climate resilience planning and insurance, setting 1.5-degree C targets, land value capture, communicating climate policy and more.

State and Local Solution Center →

US DOE developed this portal to provide technical assistance resources to enable strategic investments in energy efficiency and renewable energy technologies through innovative practices across the United States by a wide range of stakeholders, in partnership with state and local organizations and community-based non-profits. Resources include tools and reports for developing plans and programs, implementing data management, establishing financing and empowering organizations to optimize organizational expertise and culture for energy efficiency and cost savings.

² While state and regional entities have developed these resources for their communities, some of the information within may also be relevant for other cities. As noted above, this is not a comprehensive list and states not listed here may also have resources for their cities and towns.

RESOURCES FOR

Enabling Environment and Climate Strategy

Local Greenhouse Gas Inventory Tool →

US EPA developed this tool to help communities evaluate their greenhouse gas emissions, either for local government operations or for the entire community. An on-demand webinar familiarizes viewers with how to use the tool. The results can enable local governments to create an emissions baseline, track emissions trends, assess the relative contributions of emissions sources, communicate with stakeholders, partner with other municipalities to create a regional inventory, develop mitigation strategies and policies and measure progress toward meeting GHG reduction goals.

Google's Environmental Insights Explorer →

City officials can register to receive access to information on emissions from buildings and transportation, rooftop solar potential, air quality, tree canopy and more to help with their climate planning process.

Local Clean Energy Self-Scoring Tool →

With this free tool from ACEEE, officials can score their community's efforts to save energy and reduce greenhouse gas emissions using metrics from ACEEE's 2021 City Clean Energy Scorecard. The results can be used to identify strengths and areas for improvement, from which a clean energy roadmap can be developed.

The CURB Tool: Climate Action for Urban Sustainability →

This interactive tool was developed by the World Bank to help cities take climate action. Users can map out different action plans and evaluate their cost, feasibility and impact.

City Policy Framework for Dramatically Reducing Embodied Carbon →

This guide helps cities consider policies to reduce emissions released from building and infrastructure construction to reduce their overall carbon footprints. It provides examples of policies that can deliver the highest impact within cities' geopolitical contexts and regulatory systems, with overviews of more than 50 policies from leading cities. Recorded webinars on zoning and land use, regulations, procurement and circular economy/financial concerns are also available on the website. This initiative is a collaboration of the Carbon Neutral Cities Alliance, One Click LCA and Architecture 2030.

Funding and Financing Climate Action Plans →

This 2019 report by Urban Sustainability Directors Network and HIP Investor details steps for developing "funding and finance maps" for initiatives and projects within climate action plans. It is designed to be useful for cities seeking to understand their options. Six US cities are featured in the report as case studies.

RESOURCES FOR

Project Preparation

Project Preparation Glossary →

Defines and explains commonly used terms related to project preparation, developed by the Cities Climate Finance Leadership Alliance (CCFLA).

Project Preparation Action Group - Resources →

This CCFLA group works to identify, coordinate and accelerate existing Preparation Facilities and has produced numerous publications city officials may find relevant.

Co-Benefits Risk Assessment →

This US EPA tool helps state and local governments assess the economic value of health hazards associated with air pollution and the benefits of clean energy adoption programs vs. program costs. It can be used as part of a comprehensive feasibility study.

RESOURCES FOR

Financing Strategy Resources

Financing Menus and Webinars →

CDP created a series of finance menus and webinars covering topics including financing fundamentals, accessing capital for clean energy and energy efficiency projects, municipal bonds, shared community assets such as public transportation and E.V. charging infrastructure, urban resilience and water infrastructure financing.

Climate Finance Decision-Making Tree →

This comprehensive guide from ICLEI (Local Governments for Sustainability) is designed to help local and regional governments consider different financing tools described within the guide.

CCFLA Financial Instruments Toolkit →

Innovative financial strategies can help cities overcome the multiple barriers they face in accessing climate finance. This toolkit showcases potential financial instruments, highlighting case studies and demonstrating practical applications of instruments in the field. This resource is divided between the financial instrument's library and the financial instruments case studies repository.

American Flood Coalition: Flood Funding Finder →

The American Flood Coalition's Flood Funding Finder is the first tool of its kind that uses a robust filtering system to prioritize the needs of small communities and help them identify the right federal funding programs to fund flood resilience. While the Flood Funding Finder makes it easier to access federal funding, funding for resilience remains insufficient and does not work for many communities nationwide.

Successful Local Government Fundraising and Project Pitching →

This case study of Brasilia from ICLEI is also relevant for US cities, as it contains information on finance sources, fundraising basics and pitching strategies.

American Society of Adaptation Professionals Ready-to-Fund Resilience Toolkit →

The Ready-to-Fund Resilience Toolkit was created through a partnership between the American Society of Adaptation Professionals (ASAP) and Climate Resilience Consulting (CRC).

Credit: Lanski / Shutterstock



Prospective Finance Partners for Municipal Climate Projects

Financial institutions and other financing partners underpin the economic development of nearly all modern economies.³ The services provided by the different institutions vary depending on size, scope, location and various other factors. Finding the right partner for sustainable infrastructure development can be challenging. However, understanding the types of financial institutions that you may have access to can be a meaningful first step in the funding and financing process.

Financial Institutions

▼ Development Finance Agencies

Community Development Financial Institutions (CDFI) ➔

Certified by the US Treasury, CDFIs are banks, credit unions, loan funds, microloan funds or venture capital institutions that provide financing for economically distressed US communities, including Native communities.

North America Development Bank (NADB) ➔

NADB focuses on US/Mexico border development, specifically targeting sustainable projects.

Council of Development Finance Agencies ➔

Numerous states have their own development finance agencies. The council of Development Finance Agencies is a hub for knowledge, networks and innovation in this finance category.

▼ Green Banks

Members of the American Green Bank Consortium are state and regional Green Banks that aim to maximize clean energy production by providing access to low-cost capital, generally operating for the public benefit. Green banks can be either for-profit or non-profit. The federal Inflation Reduction Act of 2022 will also establish a federal Green Bank.

▼ Credit Unions

The National Credit Union Administration has a searchable database and map of state and federal credit unions.

▼ Private financial institutions

Global Alliance for Banking on Values ➔

This global network of independent banks seeks to finance sustainable economic, social and environmental development; it includes an array of North American banks.

Mighty Deposits Guide: Sustainable Banks in the US ➔

This women-owned banking comparison site is geared toward consumers. Its searchable database of banks concerned about sustainability may provide suitable options for cities to consider.

Philanthropic and Non-Profit Institutions and Programs

▼ Partners for Places

This matching grant program is focused on empowering and engaging low-income neighborhoods to improve US and Canadian communities by building partnerships between local government leaders, frontline communities and place-based funders. Through funding rounds, national funders invest in local projects developed through these partnerships to advance efforts to create sustainable, prosperous and just communities. The program is a partnership of The Funders Network and the Urban Sustainability Directors Network.

▼ Foundations that Fund Cities-Related Initiatives

Regional foundations provide critical support to local governments and provide place-based support. These include Bloomberg Philanthropies, Emerson Collective, Ford Foundation, The Kresge Foundation, The Rockefeller Foundation, Bezos Earth Fund, Chan Zuckerberg Initiative, The William and Flora Hewlett Foundation, among others that may have funding available for cities. These foundations partner with non-profits to deliver support to local governments.

³ These institutions may or may not have climate-specific offerings. This list is not comprehensive and should not be treated as an endorsement of these institutions; cities should conduct their own due diligence.



Climate resilient development is enabled when governments, civil society and the private sector make inclusive development choices that prioritize risk reduction, equity and justice and when decision-making processes, finance and actions are integrated across governance levels, sectors and timeframes. 

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