Catalyzing financing solutions at COP

As the global community grapples with the urgent need to address climate change and foster sustainable development, the UNFCCC Conference of the Parties (COP) emerges as a pivotal platform. We believe the COP plays a crucial role in shaping international climate policy; and its impact extends far beyond environmental considerations. One of the critical dimensions of its influence lies in its potential to reshape global finance to support the achievement of climate mitigation and adaptation goals.

The COP serves as a forum where nations negotiate and make commitments to address climate change, including financial contributions to support mitigation and adaptation efforts.

The commitment to climate finance gained momentum with the establishment of the Green Climate Fund (GCF), a financial mechanism under the UNFCCC designed after the Paris Agreement to assist developing countries in climate change mitigation and adaptation. As the GCF allocates resources to projects that align with the SDGs—such as the Subnational Climate Fund (SCF), its impact extends beyond climate action, contributing to broader sustainable development objectives.

Furthermore, the COP serves as a platform to explore innovative financing mechanisms and partnerships. Financing from the private sector is crucial in bridging the financing gap for reaching the SDGs. COP discussions provide an opportunity to facilitate dialogues between the public and the private sector, encouraging joint investments in renewable energy, sustainable infrastructure, and climate-resilient agriculture. Two years ago, together with our partners, we launched the SCF during COP26.

At the time of sending this newsletter, COP28 is taking place in Dubai. On the 1st and 2nd of December, we had the honor to participate in the first Local Climate Action Summit (LCAS). Our new initiative, Catalytic Cities, aiming at mobilizing finance to accelerate the uptake of urban climate solutions was launched during LCAS.

During the next few days, we will meet further stakeholders - donors, investors, country representatives, project developers, with whom we hope to forge further partnerships to accelerate the design and deployment of catalytic finance solutions for sustainable infrastructure.
New Initiative: Catalytic Cities

On the 1st & 2nd of December, during the first Local Climate Action Summit, Bloomberg Philanthropies and Catalytic announced the launch of Catalytic Cities.

Recognizing the role of cities

The COP28 Local Climate Action Summit (LCAS) aims at recognizing the critical role local leaders play in reducing emissions, addressing climate risk, and supporting national efforts to move further and faster on climate progress. Hosted by the COP28 Presidency and Bloomberg Philanthropies, the Summit brought together national and subnational climate leaders to transform climate finance, enhance global action, fast-track the energy transition, and strengthen resilience and adaptation at the local level.

Indeed, up to 80% of climate mitigation and adaptation actions need to be implemented at the city and local levels, however the finance doesn’t always follow. Hundreds of cities and regions previously joined the Race to Zero and the Race to Resilience Campaign around the COP26. Alliances of investors also committed trillions of dollars to meet the net-zero goal by 2050. However, the financing gap remains significant.

Launched during LCAS, Catalytic Cities is an initiative led by Catalytic and supported by Bloomberg Philanthropies, in collaboration with C40 Cities and Global Covenant of Mayors for Climate & Energy (GCOM).

Developing innovative financial vehicles to mobilize finance

Catalytic Cities, through the collaboration of a coalition of partners (networks of cities, private sector actors, fund managers, public and private investors), aims to bridge this gap by delivering innovative blended-finance investment vehicles. The vehicles will invest in urban climate solutions in key sectors and geographies to yield the most significant climate impact towards achieving the 1.5°C goal, turning city climate action plans into reality.

Our vision is to mobilize finance to accelerate the uptake of urban climate solutions to align with the goal of 1.5°C maximum global warming.

In addition, we expect to:

- Achieve a market transition to low-carbon technologies in urban sectors with the highest carbon emissions, including waste, transport and energy.
- Increase revenue sources for public and private project developers from commercial and catalytic investors and lenders.
- Focus on geographies with the highest or fastest growing carbon emissions.

For further information, visit: https://www.catalyticfinance.org/catalytic-cities

Or contact: cristina.clopatofsky@catalyticfinance.org
On-going initiative; The Subnational Climate Fund (SCF)

The SCF is a global blended finance initiative that aims to invest in and scale mid-sized (5 – 75 M $USD) subnational infrastructure projects in the fields of sustainable energy, waste and sanitation, and regenerative agriculture in developing countries.

Delivering Technical Assistance for Project Preparation

The SCF Fund features a dedicated, grant-funded facility (up to $28M) for Technical Assistance (TA) that provides technical support to project developers in project preparation for reaching better investment and impact case. In addition to strengthening business models, it supports implementers in ensuring the achievement of National Determined Contributions (NDCs), SDG impacts, and Nature Based Solutions (NbS).

With the GCF’s financial contribution, the TA is executed by the International Union for Conservation of Nature (IUCN), Catalytic, and Gold Standard.

Since inception, Catalytic has received over 200 project proposals and delivered Technical Assistance to 31 projects in 18 countries.

Many reports are publicly available from the SCF project page.

Examples of reports available from our website

Supporting Capacity-Building

In November, Catalytic supported IUCN in the delivery of two capacity-building workshops in South-East Asia, one in Bangkok and one in Indonesia.

Capacity building is primarily aimed at boosting capacities in the pre-investment phase to design and develop investable projects. At the same time, the initiative aims to strengthen the enabling environment for sustainable finance and the replication of successful models more broadly.

Number of studies/ assessments that received TA grants through the SCF:

25 Pre-feasibility assessments/studies

17 Feasibility studies

13 Environment Social and Impact Assessments
Events & other news

Our team’s expertise in climate finance is being recognized and we are regularly invited to share our knowledge and success cases to move capital towards the SDGs.

**EVENTS**

**Finance in Commun Summit (FICS), September**

*FICS* is the International Summit of Public Development Banks, which took place in Cartagena, Colombia. Our CEO, David Albertani was invited to discuss innovative finance mechanisms & solutions to support countries in their transition to lower-carbon energy, with a specific focus on the role of public development banks.

**New York Climate Week, September**

During the New York Climate Week, Catalytic, represented by Jiao Tang, was invited to The Forum for Farmers and Food Security Inaugural Stakeholder Meeting, alongside the Food Tank NYC Summit. Together with the Fund Manager of the SCF, Pegasus Capital Advisors, she met with several entrepreneurs from Africa active in agricultural projects aiming at benefiting tens of thousands of smallholder farmers.

**Building Bridges, October**

*Building Bridges* is the Swiss Sustainable Finance week which takes place in Geneva. Our team took this opportunity to host a session on “Philanthropies as Innovators in Finance” with speakers from the Agence Francaise de Development, UBS Optimus Foundation and Lombard Odier.

Our COO, Jiao Tang, also participated in a follow-up session during the Africa Climate Week hosted by FC4S in Nairobi, Kenya in September.

**UNFCCC Regional Climate Weeks**

**Africa Climate Week, September**

Our colleagues, Jiao Tang, COO and Laura Meza, Project Pipeline Manager attended *Africa Climate Week* in Nairobi, Kenya. Among other discussions, they participated in a roundtable discussion hosted by FC4S and Nairobi International Financial Center to discuss SDG investment policies and opportunities in the Kenyan and African investment ecosystem.

**Latin America & The Caribbean Climate Week, October**

During LAC Climate Week in Panama, our colleague Laura Meza, hosted an official side-session on “Investing in Sustainable Solutions for Climate, Nature and People” with the Government of Panama, Grupo Luxun, CAF and IDB. They discussed about the importance of blended finance, technical assistance and regulatory policy to structure sustainable infrastructure and NBS projects.
Maritime Campus Antwerp, October

Jiao Tang attended the Maritime Campus Antwerp’s Innovation Lab, to exchange around the topic of financing the transition to sustainable maritime transportation, and to explore links with ports decarbonization.

Clean Transport Finance Academy, October

C40 Cities hosted the Clean Transport Finance Academy in San José, Costa Rica. Our colleague Cristina Clopatofsky, Programme Coordinator for Catalytic Cities, presented how Catalytic is unlocking barriers to accelerate financing towards sustainable infrastructure through our Subnational Climate Fund (SCF) and how new initiatives under design could potentially help accelerate e-bus deployment in Latin America.

ISWA World Congress 2023, October

Our colleagues, Jiao Tang and Cristina Clopatofsky, attended the International Solid Waste Association’s World Congress in Muscat, Oman. During the congress, Jiao renewed our MoU with ISWA. In addition, Jiao and Cristina hosted a workshop with key stakeholders in the waste management sector regarding barriers to financing waste infrastructure projects in developing countries aiming at methane mitigation.

Caribbean to promote access to cities to green financing. Our colleague Laura Meza, participated in the discussions and the panel “Promoting Access to the Credit Market for Subnational Green Initiatives”

Humble Op-Ed

On the 21st of November, we published our first “Humble Op-Ed”; Jiao Tang, expert on climate finance for infrastructure discussed a new way for donors to finance waste management.

“Towards a new paradigm for financing sustainable waste management in developing countries”.

Blog

Just before Building Bridges, Cecilia Serin, our Communication and Marketing Manager wrote a blog post on “NGOs as partners in the World of Blended Finance”. This blog explores the role that NGOs play in shaping, implementing, and monitoring blended finance projects.