C40 Cities launches new guide showcasing the role of city green banks in driving a green and just recovery from COVID-19

C40 Cities urges leaders to consider city green banks as a mechanism to deliver a COVID-19 recovery plan that prioritises the environment and local communities.

New York, USA (12 November 2020) — C40 Cities’ Financing Sustainable Cities Initiative has published a step-by-step guide on why and how cities can launch their own local green bank, a move that would help both leverage financing for a green and just recovery from COVID-19 and support the health and safety of residents for decades to come.

A green bank is a public, semi-public or not-for-profit institution that offers a variety of financial products focusing specifically on climate mitigation projects, such as renewable energy and energy efficiency programmes. “Establishing a City Green Bank” is based on the experiences of major locally operating green banks and is a valuable source of information for those looking to mainstream climate finance through a dedicated local fund or bank.

With the world continuing to battle unprecedented public health, social and economic crises, C40 mayors and cities are working to guarantee a recovery that is sustainable, resilient and equitable. That said, cities were already facing substantial challenges in accessing capital to deliver Paris Agreement-compliant action and must now overcome the additional strain COVID-19 has had on municipal budgets globally.

As such, directing stimulus funds towards the development of green banks would catalyze private sector investment in local low-carbon, climate-resilient (LCR) infrastructure promoting job creation, spurring the green economy, strengthening equity and inclusion, and delivering on the climate agenda. The American Green Bank Consortium reports that, as of the end of 2019, every dollar of investment made by an American green bank resulted in $3.60 of total investment in a clean energy economy. There is overwhelming evidence proving that the development of green banks directly benefits urban residents through employment opportunities, emissions reduction and provision of affordable energy upgrades.

“We want to thank C40 Cities for spearheading the publication of this guide, and the many green banks that contributed to it,” said Curtis Probst, Co-CEO of New York City Energy Efficiency Corporation (NYCEEC), co-authors of the guide. “Green banks have enormous potential to catalyse much-needed investment in clean energy infrastructure. They are becoming a critical part of the financial ecosystem that can deliver numerous benefits to communities throughout the world.”

“We are pleased to announce the launch of this guide, which comes at a time where innovative climate financing in cities has never been more important,” said Claire Markgraf, Head of Financing Sustainable Cities Initiative at C40 Cities. “City-level green banks have the potential to deliver low-cost investment through a self-sustaining mechanism, offering long-term environmental, social and economic benefits for people.”

The guide is available to all cities through the C40 Knowledge Hub.

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About C40 Cities
Around the world, C40 Cities connects 97 of the world’s greatest cities to take bold climate action, leading the way towards a healthier and more sustainable future. Representing 700+ million citizens and one quarter of the global economy, mayors of the C40 cities are committed to delivering on the most ambitious goals of the Paris Agreement at the local level, as well as to cleaning the air we breathe. The current chair of C40 is Mayor of Los Angeles Eric Garcetti; and three-term Mayor of New York City Michael R. Bloomberg serves as President of the Board. C40’s work is made possible by our three strategic funders: Bloomberg Philanthropies, Children’s Investment Fund Foundation (CIFF), and Realdania.

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About NYCEEC
To learn more about the work of NYCEEC, please visit their website.