



City  
Resilience  
Program

# Supporting Cities to **BUILD RESILIENCE**





# BACKGROUND

**CRP aims to catalyze a transparent pipeline of well-prepared and bankable investments to enhance urban resilience, and to improve access for private and institutional investors to crowd into new markets.**

Unprecedented urbanization is transforming the planet and the way we live. For the first time in history, more people live in cities than in rural areas, and 90 percent of urban expansion takes place in developing countries. Urbanization, if managed well, can help reduce poverty and increase prosperity, as cities can accelerate growth, attract investment, spur innovation and enhance productivity. Poorly managed urbanization, however, can exacerbate existing challenges, and leave cities more vulnerable to natural hazards.

The greater concentration of people and assets in cities means that the impact of natural disasters and a changing climate can be devastating, both upon human lives and economic wellbeing. The poorer segments of the population are particularly vulnerable, as they tend to live in more hazardous settlements and lack the necessary safety nets to recover from economic or environmental shocks. Preparing cities for disaster and climate risks and strengthening urban resilience is fundamental to ensuring sustainable development and poverty reduction.

The World Bank Group's (WBG) City Resilience Program (CRP) is an effort to assist city governments to build greater resilience to climate and disaster risks. For many cities around the world, achieving urban resilience is a multibillion-dollar agenda that requires strong partnerships and new sources of capital. Cities are sometimes held back from pursuing the necessary investments because they lack the technical expertise and/or the access to capital to finance them.

**CRP tries to fill that gap by:**

- i. Leveraging the WBG's broad set of sectoral expertise in designing urban resilience projects
- ii. Better connecting cities to the necessary financing

CRP aims to catalyze a transparent pipeline of well-prepared and bankable investments to enhance urban resilience, and to improve access for private and institutional investors to crowd into new markets. CRP acts as the banker of the city, and facilitates strategic investments that address the vulnerabilities and risks that cities face in a holistic way.

## DESIGNING A BETTER PROJECT

CRP seeks to promote a multisectoral approach towards enhancing resilience and strengthening urban planning. Working with cities closely, CRP gains a better understanding of their disaster risks and provides capacity development and technical assistance in urban planning, infrastructure development, capital investment planning and project development. CRP draws from a broad set of expertise and integrates best practices and innovation in project design and implementation. The aim is to conceive of more ambitious interventions and to shift away from traditional sector-specific programs towards programs which improve resilience holistically and incorporate infrastructure investments, geospatial solutions, emergency preparedness and response systems, etc.

## FINANCING A BIGGER PROJECT

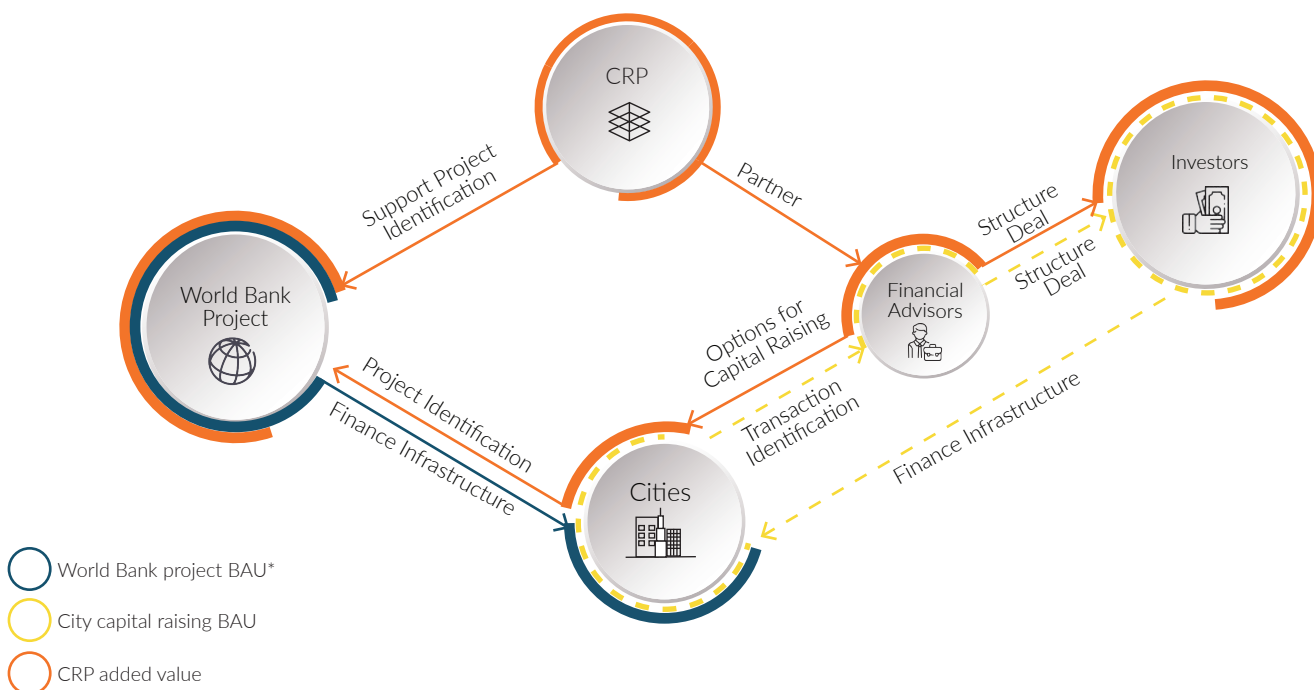
Many cities lack the capacity to maximize their financing options and exploit investment opportunities. City governments need assistance in structuring investments and raising the necessary capital to realize

Figure 1 Piecing Together Urban Resilience



ambitious and transformative investment programs. CRP connects city governments with multilateral development banks, bilateral donors and private investors, with particular emphasis on building the capacity of cities to raise capital through Public Private Partnerships (PPP), concessions and land value capture transactions. At the same time, CRP focuses on increasing investors' confidence by exploring a suite of risk-mitigation tools such as guarantees or credit enhancement to boost the "bankability" of projects. As a result, CRP helps reduce transaction costs, through supporting market reconnaissance, providing capacity-building to governments to move toward investment readiness, and facilitating the negotiation between cities and investors on specific transaction opportunities.

Figure 2 CRP's Capital Mobilization



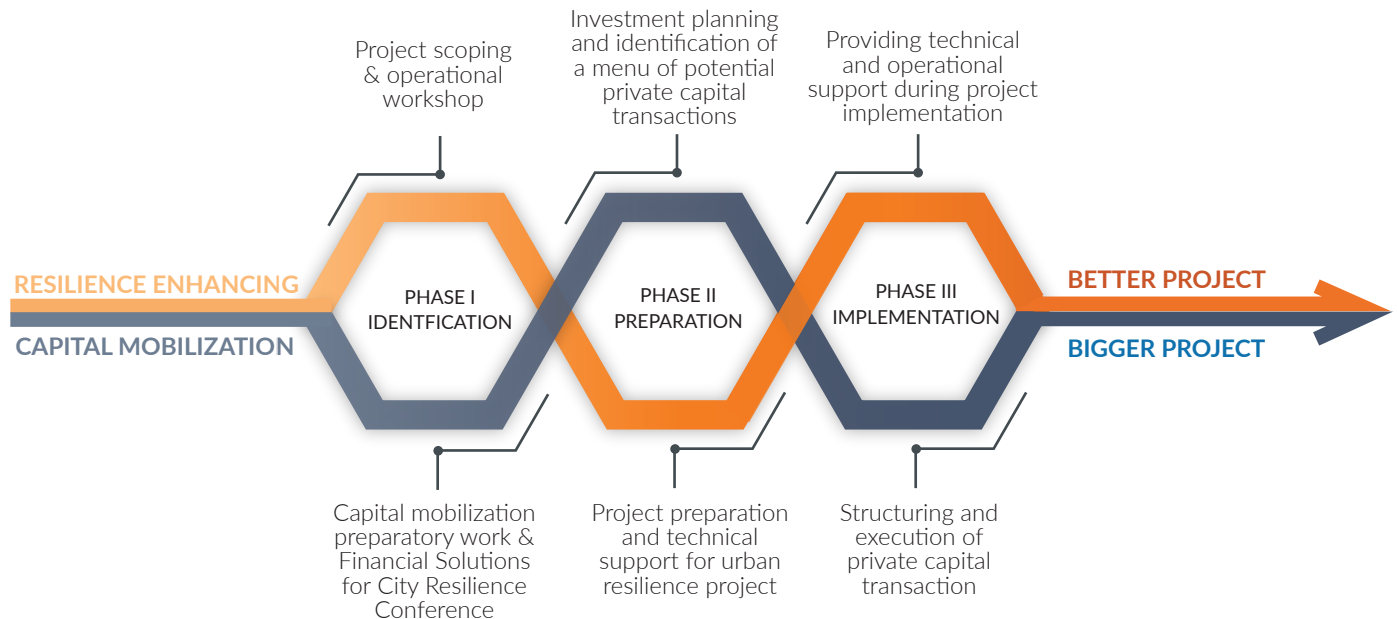
\*Business As Usual

# THREE-PHASED APPROACH

The CRP approach engages cities in a long-term partnership to identify areas of need and opportunity and to define a robust response towards building resilience. The broad coalition of experts that accompanies each city-level engagement ensures the

design and implementation of a comprehensive response to the resilience strategy. Private capital experts support cities to develop a pipeline of resilience-building investments and expand the financing options available to them. As such, CRP generates urban resilience investments that are “bigger and better” by enhancing both the technical design and the bankability of engagements.

**Figure 3 CRP’s Three-Phased Program Approach**



## PHASE I – IDENTIFICATION

### *Resilience Enhancing*

- Conducting preliminary assessments to define the set of investments needed to strengthen urban resilience (“City Diagnostics”)
- Investment planning workshop that facilitates identification of a menu of priority infrastructure investments and project proposals that could be financed

### *Capital Mobilization:*

- Conducting a set of diagnostics to assess the city’s enabling environment for private capital mobilization through debt, PPP and Land Value Capture (“Rapid Capital Assessments” and “City Creditworthiness Assessments”).
- Financial Solutions Conference to explore concrete investment opportunities and move towards private capital engagement for investment plans

## PHASE II – PREPARATION

*Resilience Enhancing:* Preparation and technical support for urban resilience project

*Capital Mobilization:* Capital investment planning that includes a menu of private capital transaction options

## PHASE III – IMPLEMENTATION

*Resilience Enhancing:* Technical and operational support for urban resilience project implementation

*Capital Mobilization:* Structuring and executing private capital transaction



# PROGRESS TO DATE

## City Engagement:

Since its launch in June 2017, CRP has engaged with over 40 cities across the world to develop investment programs that could be financed with a range of financial instruments. In January 2018, 12 cities from CRP's first cohort have already been selected for market testing. City engagement is ongoing and includes both technical support and advisory services to unlock investment opportunities. In February 2018, 21 cities joined the second cohort, and about 15 cities have already expressed interest to be part of the third cohort.

## Financial Solutions for City Resilience Conference:

The first Financial Solutions for City Resilience Conference took place in November 2017 and brought together officials from 24 cities, private capital experts and investors to identify concrete investment opportunities and connect them to appropriate financing options. The second conference takes place in July 2018.

## Future Outlook

In the long-term, CRP aims to create an ecosystem where investment opportunities in cities in the global south form part of any attractive investment portfolio. If CRP is successful, 10 years into the future this will become business as usual, not the frontier of complexity and opportunity.

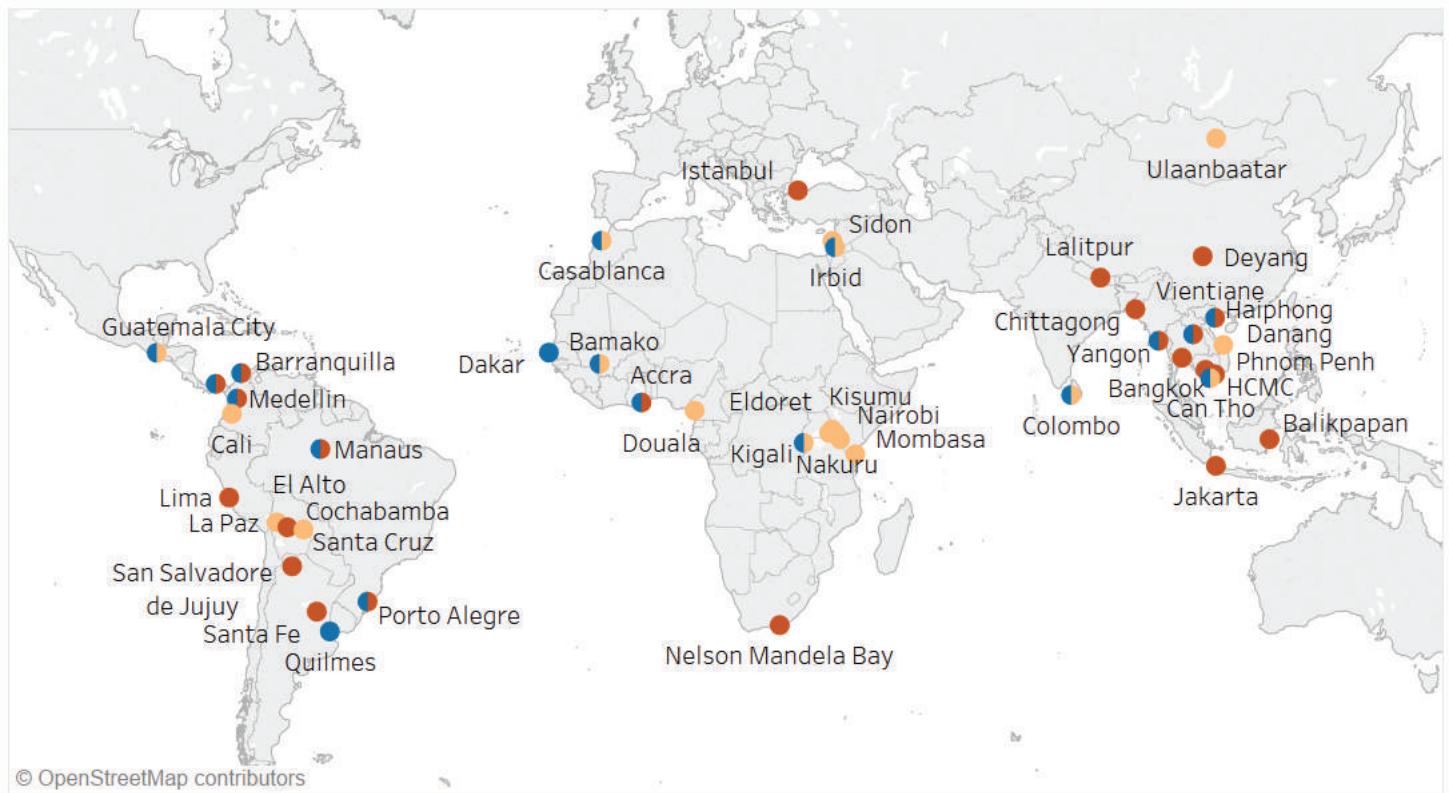
## Opportunities for Contribution

CRP continually engages with bilateral and multilateral development financing institutions for potential interest to join the partnership, including through: i) financial support to the core program; ii) targeted diagnostic support in earmarked cities; iii) co-financing of investment projects; and iv) support to a credit enhancement facility.

For further information:

<https://www.gfdr.org/en/city-resilience-program>

Figure 4 CRP's City Engagements



● First Cohort

● Second Cohort

● Phase II Financial Contract



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# Promoting AMBITION AND SCALE

