

# IFC: A Solution Provider for Cities

Cities are drivers of growth. Unprecedented urbanization and disruptive technologies are presenting opportunities as well as the need to address the impact of climate change. Cities need to be livable and inclusive. They need to offer efficient services, including transport, housing, clean water, and sanitation. And they need to attract businesses, offer jobs, and provide an improved quality of life for citizens. Cities need financing and world class advisory services.



## Why cities matter



Cities generate more than 80 percent of global GDP (Source: World Bank).



There are more than 1 billion cars on the road today, emitting over 4.6 billion tons of CO<sub>2</sub> per year (Source: EPA).



Inadequate urban infrastructure drives up business costs and harms quality of life.



By 2050, cities will be home to 68 percent of the emerging market population (Source: UN Habitat).



Cities consume two-thirds of the world's energy and generate 70 percent of global carbon emissions (Source: World Bank).

## Our approach

Drawing on our global network, IFC mobilizes **commercial financing** for projects, connects cities with capital markets, and helps diversify their sources for financing. We leverage World Bank and private sector expertise and offer **project structuring and development support** for public-private partnerships (PPPs) as well as **community outreach and capacity building** to facilitate implementation of infrastructure projects.

## The IFC difference

- IFC builds long-term partnerships through direct engagement with **subnational governments and their entities**, as well as **private sector solutions providers**.
- We bring to bear our extensive market reach and in-house technical expertise to help address **urban infrastructure implementation and efficiency** challenges.
- IFC is uniquely positioned to support cities in multiple areas including **urban transport, water and waste management, health, education, street lighting, smart city development, energy efficiency, and climate resilience**.
- Since 2003, IFC has committed and mobilized **157 subnational investments with total long-term financing of about \$7 billion across 37 countries**.

## About IFC

- World's largest development institution focused on the private sector in emerging markets
- Member of the World Bank Group with over 60 years of experience
- Impact investor and mobilizer of capital for sustainable development
- Leader in climate finance and green growth
- Trusted AAA-rated partner transforming innovative ideas into impactful investments
- Provider of advisory services for developing bankable projects, structuring public private partnerships, and improving business environments
- Upholder of world-class ESG standards to ensure sustainable and responsible investments

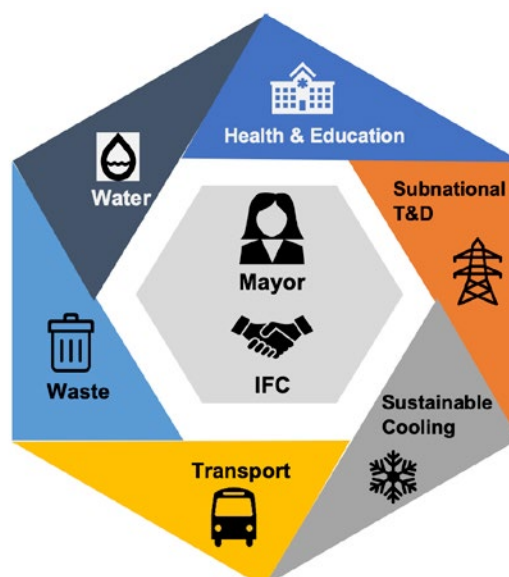
## IFC Cities Business Model

### Subnational Commercial Finance

- Wide range of customizable financial products to help fund Cities partners' infrastructure needs

### Advisory Services

- Capacity building
- Project Preparation
- Project Enhancement



### PPPs

- Competitively tender private involvement in urban infrastructure projects

### Private Sector Investments

- Support private investments in priority urban sectors



Thomas Deppenbusch

### Izmir, Türkiye

Over the past decade, IFC has developed a long-term partnership with the city of Izmir, helping it access more than \$400 million from IFC and other lenders to finance several municipal projects. This includes a tramway that connects remote areas to the city center, establishment of a smart traffic management system, upgrade of its seaport infrastructure, advice on an electric bus pilot project, improvement in its wastewater and solid waste management services, and creation of an open data management system. These projects have reduced average daily overall travel time for Izmir's citizens by 25 percent and improved access to water services for 240,000 residents.



Iván Erre Jota

### Bogotá, Colombia

IFC supported the bankability and implementation of two key urban infrastructure projects—TransMicable and the extension of a bus rapid transit networks. First, we provided advice to improve knowledge about IFC's Environmental and Social (E&S) Standards and the value in aligning with best international E&S practices. Next, IFC mobilized \$140 million in private sector funds, ensuring key development impacts by enabling a dramatic reduction in daily commuting time—from three hours to 13 minutes—for nearly 670,000 residents.



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### Cape Town, South Africa

In 2024, IFC invested \$149 million and mobilized \$192 million for the City of Cape Town to support infrastructure upgrades, replacements and expansion, including in electricity, transport and water and sanitation sectors, prioritized under the city's 10-year infrastructure investment plan. With a tenor of 18 years, IFC's loan will help the city to invest sustainably in assets with long operational lifespans. The investment aims to support improved access to quality services for communities and greater spatial integration across Cape Town, while also improving climate and energy resilience. More than 70 percent of the infrastructure spend will benefit low-income areas.



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### Zagreb, Croatia

In 2023, IFC stepped in as an anchor investor in the first municipal utility sustainability-linked bond in central and southern Europe, with a subscription of EUR 72.5 million. IFC's investment in Zagrebački Holding will free up capital to allow the City of Zagreb to make critical investments in infrastructure that will improve resource efficiency and climate resilience, including waste management and renewable energy. These investments will help Zagreb implement its sustainability and decarbonization strategy.

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